

Indian Economic Development Chapter 1 Indian Economy on the Eve of Independence CBSE NCERT SOLUTIONS Class 11 Economics

<http://freehomedelivery.net/>

Indian Economic Development Chapter 1 Indian Economy on the Eve of Independence CBSE NCERT SOLUTIONS Class 11 Economics <http://freehomedelivery.net/>

CBSE NCERT SOLUTIONS Indian Economic Development Chapter 1 Indian Economy on the Eve of Independence Class 11 Economics

Page No: 14

Exercises

1. What was the focus of the economic policies pursued by the colonial government in India? What were the impacts of these policies?

Answer

The economic policies pursued by the colonial government in India were concerned more with the protection of the economic interests of their home country than with the development of the Indian economy. Such policies brought about a fundamental change in the structure of the Indian economy i.e., transforming the country into a supplier of raw materials and consumer of finished industrial products from Britain. Impacts of these policies:

- Agriculture practices remained backward.
- India became the net supplier of raw materials and consumer of finished goods from Britain.
- Insignificant growth in GDP.
- Low National and Per Capita Income.
- Lack of Industrialization.

2. Name some notable economists who estimated Indian's per capita income during colonial period?

Answer

Dadabhai Naoroji, William Digby, Findlay Shirras, V.K.R.V. Rao, and R. C Desai.

3. What were the main causes of India's agricultural stagnation during the colonial period?

Answer

The main causes of India's agricultural stagnation during the colonial period were:

- Land Settlement Policies: Colonial government introduced various land settlement policies such as Zamindari system in which maximum profit coming from agriculture sector went in the hands of Zamindars

instead of cultivators. Neither Colonial government nor Zamindars did anything to improve condition of agriculture. This caused immense misery and social tension among cultivators.

→ Revenue Settlement: The Zamindars were given rights to owned land in return of some specified sum of revenue, failing which the zamindars were to lose rights. Therefore, the zamindars adopt stubborn attitude. Drought and famine make situation more critical.

→ Commercialisation of agriculture: The colonial government forced peasants to grow commercial crops such as tea, coffee, indigo etc. in order to feed British industries with cheap raw materials. This commercialisation of Indian agriculture not only increased the burden of high revenues on the poor farmers but also led India to face shortage of food grains, resources, technology and investment.

→ Lack of Irrigation Facilities and Resources: Indian agricultural sector also faced lack of irrigation facilities, insignificant use of fertilisers, lack of investment, frequent famines and other natural calamities, etc. that further exaggerated the agricultural performance and made it more vulnerable.

4. Name some modern industries which were in operation in our country at the time of independence.

Answer

The modern industries which were in operation in our country at the time of independence are as follows:

- Cotton Textile Industries.
- Jute Textile Industries.
- Iron and Steel Industries.
- Sugar Industries.
- Cement Industries.
- Paper Industries, etc.

5. What was the two-fold motive behind the systematic de-industrialisation affected by the British in pre-independent India?

Answer

The two-fold motive behind the systematic de-industrialisation affected by the British in pre-independent India was:

→ To reduce India to the status of a mere exporter of important raw materials for the upcoming modern industries in Britain.

→ To turn India into a sprawling market for the finished products of those industries so that their continued expansion could be ensured to the maximum advantage of their home country Britain.

6. The traditional handicrafts industries were ruined under the British rule. Do you agree with this view? Give reasons in support of your answer.

Answer

Yes I do agree with the view that the traditional handicrafts industries were ruined under British rule. Till the middle of eighteenth century Indian handicraft products were greatly demanded in the markets all over the world but the policies followed by colonial government gradually reduced their demand in market:

- British got raw materials from India at cheaper rates and sold their machine made items in Indian markets at cheaper rates than handicraft goods.
- They also imposed heavy export duties on India's export of handicraft products, while allowed free export of India's raw material to Britain and free import of British products into India.

7. What objectives did the British intend to achieve through their policies of infrastructure development in India?

Answer

Under the colonial regime, basic infrastructure such as railways, ports, water transport, posts and telegraphs did develop. However, the real motive behind this infrastructure development was not to provide basic amenities to the people but to sub serve various colonial interests. Like the roads that were built primarily served the purposes of mobilizing the army within India and drawing out raw materials from the countryside to the nearest railway station or the port to send these to far away England or other lucrative foreign destinations. The introduction of the expensive system of electric telegraph in India, similarly, served the purpose of maintaining law and order.

8. Critically appraise some of the shortfalls of the industrial policy pursued by the British colonial administration.

Answer

The industrial policy followed by the British colonial administration was solely to facilitate the upcoming modern industries in Britain. The primary motive of this de-industrialisation was to reduce India into a mere supplier of Britain's own flourishing industrial base and turn India into a market of Britain's machine made items.

Though during the second half of the nineteenth century, modern industry began to take root in India but its progress remained very slow. Initially, this development was confined to the setting up of cotton and jute textile mills. Subsequently, the iron and steel industries began coming up in the beginning of the twentieth century. The Tata Iron and Steel Company (TISCO) was incorporated in 1907. A few other industries in the fields of sugar, cement, paper etc. came up after the Second World War.

But, there was hardly any capital goods industry to help promote further industrialisation in India. Furthermore, the growth rate of the new industrial sector and its contribution to the Gross Domestic Product (GDP) remained very small.

Another significant drawback of the new industrial sector was the very limited area of operation of the public sector. This sector remained confined only to the railways, power generation, communications, ports and some other departmental undertakings.

9. What do you understand by the drain of Indian wealth during the colonial period?

Answer

India has been an important trading nation since ancient times. But the restrictive policies of commodity production, trade and tariff pursued by the colonial government adversely affected the structure, composition and volume of India's foreign trade. Britishers became an exporter of primary products and importer of finished consumer goods.

The most important characteristic of India's foreign trade throughout the colonial period was the generation of a large export surplus. But this surplus came at huge cost to the country's economy. Furthermore, this export surplus did not result in any flow of gold or silver into India. Rather, this was used to make payments for the expenses incurred by an office set up by the colonial government in Britain, expenses on war, again fought by the British government, and the import of invisible items, all of which led to the drain of Indian wealth.

10. Which is regarded as the defining year to mark the demographic transition from its first to the second decisive stage?

Answer

The year 1921 is regarded as the defining year to mark the demographic transition from its first to the second decisive stage.

11. Give a quantitative appraisal of India's demographic profile during the colonial period.

Answer

India's Demographic conditions during the British rule depict our economy as stagnant and backward. • Both the birth rate and death rate were as high as 48 and 40 per thousand. Due to high birth rate and high death rate the population growth was stagnant.

- The Infant Mortality Rate was also very high of about 218 per thousand. The Life Expectancy Rate was as low as 32 years while presently it is 63.5 years.
- The literacy rate was less than 16 percent which denotes social backwardness and gender bias in the economy.

In the absence of reliable data, it is difficult to specify the extent of poverty at that time but there is no doubt that extensive poverty prevailed in India during the colonial period.

12. Highlight the salient features of India's pre-independence occupational structure.

Answer

The salient features of India's pre-independence occupational structure were:

- The agricultural sector accounted for the largest share of work force, which usually remained at a high of 70-75% while the manufacturing and the services sectors accounted for only 10 and 15-20% respectively.
- Another striking aspect was the growing regional variation. Parts of the then Madras Presidency (comprising areas of the present-day states of Tamil Nadu, Andhra Pradesh, Kerala and Karnataka), Maharashtra and West Bengal witnessed a decline in the dependence of the workforce on the agricultural sector with a commensurate increase in the manufacturing and the services sectors. However, there had been an increase in the share of workforce in agriculture during the same time in states such as Orissa, Rajasthan and Punjab.

13. Underscore some of India's most crucial economic challenges at the time of independence.

Answer

The Indian economy was a backward economy at the time of Independence:

→ Low Level of Agricultural Productivity: Over 70 percent of total population of India was engaged in agriculture but the total output was very low.

→ Industrial Sector: There were not many industries and capital was mostly invested by foreigners. Moreover, the need to increase the share of industrial sector to India's GDP was one of the important economic challenges for India.

→ Lack in Infrastructure: The famed railway network, needed up gradation, expansion and public orientation. There was a complete absence of infrastructure for imparting knowledge or technical skills to the labourers.

→ Poverty and Inequalities: India was trapped in the vicious circle of poverty and inequality. The colonial rule drained out a significant portion of India's wealth to Britain. Consequently, majority of India's population was poverty trodden. This further exaggerated economic inequalities across the country.

14. When was India's first official census operation undertaken?

Answer

In the year 1881 India's first official census operation was undertaken.

15. Indicate the volume and direction of trade at the time of independence.

Answer

Due to restrictive policies of the colonial government India became an exporter of primary products such as raw silk, cotton, wool, sugar, indigo, jute etc. and an importer of finished consumer goods like cotton, silk and woollen clothes and capital goods like light machinery produced in the factories of Britain. For all practical purposes, Britain maintained a monopoly control over India's exports and imports. As a result, more than half of India's foreign trade was restricted to Britain while the rest was allowed with a few other countries like China, Ceylon (Sri Lanka) and Persia (Iran).

16. Were there any positive contributions made by the British in India? Discuss.

Answer

Yes, there were various positive contributions that were made by the British in India. The contributions were not intentional but purely the effects of colonial exploitation of the British. The following are the positive contributions made by the British:

→ Introduction of Railways: The introduction of railways by the British was a breakthrough in the development process of Indian economy. It opened up the cultural and geographical barriers and facilitated commercialisation of Indian agriculture.

→ Introduction of Commercialisation of Agriculture: The introduction of commercial agriculture is an important breakthrough in the history of Indian agriculture. Prior to the advent of the British, Indian agriculture was of

subsistence nature. But with the commercialisation of agriculture, the agricultural production was carried out as per the market requirements. It was due to this factor that today India can aim at attaining self-sufficiency in food grains production.

→ Introduced Free Trade to India: British forced India to follow free trade pattern during the colonial rule. This is the key concept of globalisation today. The free trade provided domestic industry with a platform to compete with the Britain industries. The introduction of free trade led to an increase in the volume of India's export rapidly.

→ Development of Infrastructure: The infrastructure developed in India by the British proved as useful tool to check the spread of famines. The telegram and postal services served Indian public.

→ Promoted Western Culture: English as a language promoted westernised form of education. The English language acted as a window to the outside world. This has integrated India with the rest of the world.

→ Role Model: The way and the technique of British administration acts as a role model for the Indian politicians and planners. It helped Indian politicians to govern the country in an efficient and effective manner.



Indian Economic Development Chapter 2 Indian Economy 1950-1990
CBSE NCERT SOLUTIONS Class 11 Economics
<http://freehomedelivery.net/>

Indian Economic Development Chapter 2 Indian Economy 1950-1990 CBSE
NCERT SOLUTIONS Class 11 Economics <http://freehomedelivery.net/>

**CBSE NCERT SOLUTIONS Class 11 Economics <http://freehomedelivery.net/> Indian
Economic Development Chapter 2 Indian Economy 1950-1990**

Page No: 34

Exercises

1. Define a plan.

Answer

A plan spells out how the resources of a nation should be put to use. It should have some general goals as well as specific objectives which are to be achieved within a specified period of time.

2. Why did India opt for planning?

Answer

At the time of independence the Indian economy was in its worst stage. The GDP, National and Per Capita income was very low and the unemployment was very high. The Industrial growth was insignificant also the Agricultural Sector was not doing well. The resources were very limited. So India opted for planning because it helps in spelling out how the resources of a nation should be used efficiently and economically, so that rate of economic growth can be accelerated.

3. Why should plans have goals?

Answer

Since the resources are limited so one can not each and every objective in one go. One needs to fix some goals and plan to achieve it priority wise in a specific period of time. A plan should have some general goals as well as specific goals which are to be achieved within a specified period of time. Goals are desired achievement for which all the efforts and resources are directed to attain it. It also checks wastage.

4. What are miracle seeds?

Answer

Miracle seeds or High yielding variety (HYV) seeds are helpful in increasing the production of food grains. The use of this seeds requires the use of fertilisers and pesticide in the correct quantities and regular supply of water.

5. What is marketable surplus?

Answer

Marketable surplus refers to the difference between the total output produced by a farmer and his on-farm consumption. Or, we can say, the portion of agricultural produce which is sold in the market by the farmers is called marketable surplus.

Marketable surplus = Total farm output produced by farmer - Own consumption of farm output.

6. Explain the need and type of land reforms implemented in the agriculture sector.

Answer

At the time of independence, the land tenure system was characterized by intermediaries called Zamindars, Jagirdars etc. who merely collected rent from the actual tiller of the soil without contributing towards improvements on the

farm. This de-motivated the actual tiller hence productivity was very low. Therefore, there was an urgent need of land reform policy.

Types of Land reforms:

→ Abolition of intermediaries: The prime focus of land reforms was to abolish intermediaries like Zamindars, Jagirdars, etc. There were many steps undertaken to make the tillers, the owners of the land because ownership of land enables the tiller to make profit from the increased output.

→ Consolidation of landholdings: As the land holdings were small and also fragmented, so it was very necessary to consolidate the land holdings for the use of modern and advanced technology. The farmers were given consolidated holdings equal to the total of the land in their various fragmented plots. This enabled them the benefits associated with the large scale production.

→ Land Ceiling: This means fixing the maximum size of land which could be owned by an individual. The purpose of land ceiling was to reduce the concentration of land ownership in a few hands.

7. What is Green Revolution? Why was it implemented and how did it benefit the farmers? Explain in brief.

Answer

The term Green Revolution refers to the large increase in production of food grains resulting from the use of high yielding variety (HYV) seeds especially for wheat and rice.

It was implemented because at independence, about 75% of the country's population was dependent on agriculture. But the productivity in the agricultural sector was very low because of the use of old technology and the absence of required infrastructure for the vast majority of farmers. India's agriculture vitally depends on the monsoon and if monsoon fell short the farmers were in trouble unless they had access to irrigation facilities which very few had.

By the use of HYV seeds the productivity of food grains increased remarkably and a good proportion of the rice and wheat produced during the green

revolution period was sold by the farmers in the market. India achieved self-sufficiency and self-reliability in food grains.

8. Explain 'growth with equity' as a planning objective.

Answer

Only growth of the country can not improve the kind of life which people are living. A country can have high growth; the most modern technology developed in the country itself, and also has most of its people living in poverty. It is important to insure that the benefits of economic prosperity reach the poor sections as well instead of being enjoyed only by the rich. So, in addition to growth, equity is also important: every Indian should be able to meet his or her basic needs such as food, a decent house, education and health care and inequality in the distribution of wealth should be reduced. This should be our planning objective.

9. Does modernisation as a planning objective create contradiction in the light of employment generation? Explain.

Answer

No, modernisation as a planning objective does not contradict employment generation. In fact both modernisation and employment generation are positively correlated. By modernization we mean adoption of new technology to increase the production of goods and services. For example, a farmer can increase the output on the farm by using new seed varieties instead of using the old ones. Similarly, a factory can increase output by using a new type of machine. This does not cut down the employment generation opportunity rather this facilitate the manpower in their works. Only thing we need to train our human resources.

The use of modern technology and input will raise the productivity and, consequently, the income of the people that will further raise the demand for goods and services. In order to fulfill this increased demand, there will be more job opportunities that will lead more people to be hired and, hence, more employment opportunities will be generated. Hence, both modernisation and

employment generation are not contradictory but are complementary to each other.

10. Why was it necessary for a developing country like India to follow self-reliance as a planning objective?

Answer

It was necessary for a developing country like India to follow self-reliance as a planning objective. as otherwise, it would increase the country's dependence on foreign products. Further, it was feared that dependence on imported food supplies, foreign technology and foreign capital may make India's sovereignty vulnerable to foreign interference in our policies.

11. What is sectoral composition of an economy? Is it necessary that the service sector should contribute maximum to GDP of an economy?

Comment.

Answer

The GDP of a country is derived from the different sectors of the economy, namely the agricultural sector, the industrial sector and the service sector. The contribution made by each of these sectors makes up the structural composition of the economy.

Yes, it is necessary that at the later stages of development, service sector should contribute the maximum to the total GDP. This phenomenon is called Structural Transformation. With the development the share of agriculture declines and the share of industry become dominant. At higher levels of development the contribution of service sector becomes more than the two other sectors. This has been observed in the case of developed economies of the world.

12. Why was public sector given a leading role in industrial development during the planning period?

Answer

At the time of independence, Indian industrialist did not have the capital to undertake investment to industrial ventures required for the development of our economy, nor was the market big enough to encourage industrialist to undertake major projects even if they had the capital to do so. It is principally for these reasons that the state had to play an extensive role in promoting the industrial sector. In addition, the decision to develop the Indian economy on socialist lines led to the policy of the state controlling the commanding heights of the economy.

13. Explain the statement that green revolution enabled the government to procure sufficient food grains to build its stocks that could be used during times of shortage.

Answer

Green Revolution led to an increase in the production of food grains. With the use of modern technology, extensive use of fertilisers, pesticides and HYV seeds there was a significant increase in the agricultural productivity and product per farm land. In addition, the spread of marketing system, abolition of intermediaries and easy availability of credit has enabled farmers with greater portion of marketable surplus. All these factors enabled the government to procure sufficient food grains to build the buffer stock and to provide cushion against the shocks of famines and shortages.

14. While subsidies encourage farmers to use new technology, they are a huge burden on government finances. Discuss the usefulness of subsidies in the light of this fact.

Answer

Any new technology will be looked upon as being risky by farmers. Subsidies were, therefore, needed to encourage farmers to test the new technology. Some economists believe that once the technology is found profitable and is widely adopted, subsidies should be phased out since their purpose has been served. Further, subsidies are meant to benefit the farmers but a substantial amount of fertilizer subsidy also benefits the fertilizer industry; and among farmers, the subsidy largely benefits the farmers in the more prosperous regions. Therefore,

it is argued that there is no case for continuing with fertilizer subsidies; it does not benefit the target group and it is a huge burden on the government's finances. On the other hand, some believe that the government should continue with agricultural subsidies because farming in India continues to be a risky business. Most farmers are very poor and they will not be able to afford the required inputs without subsidies. Eliminating subsidies will increase the inequality between rich and poor farmer and violate the goal of equity. These experts argue that if subsidies are largely benefiting the fertilizer industry and big farmers, the correct policy is not abolish subsidies but to take steps to insure that only the poor farmers enjoy the benefits.

15. Why despite the implementation of green revolution, 65% of our population continued to be engaged in the agriculture sector till 1990?

Answer

In India, between 1950 and 1990, the proportion GDP contributed by agriculture declined significantly but not the population depending on it (67.5% in 1950 to 64.9% by 1990). The agricultural output could have grown with much less people working in the sector. This is because the industrial sector and the service sector did not absorb the people working in the agricultural sector. Many economists call this an important failure of our policies followed during 1950-1990.

16. Though public sector is very essential for industries, many public sector undertakings incur huge losses and are a drain on the economy's resources. Discuss the usefulness of public sector undertakings in the light of this fact.

Answer

Though, many Public sector undertakings are incurring huge losses but they are still useful in the areas of strategic concerns and hazardous chemicals. These are required for:

→ Enhancing Nation's Welfare: The main motive of the PSU was to provide goods and services that add to the welfare of the country as a whole. For example, schools, hospitals, electricity, etc. These services not only enhance

welfare of country's population but also enhance the future prospects of economic growth and development.

→ Long Gestation Projects: It was not feasible and economically viable for the private sectors to invest in the big and wide projects like basic industries and electricity, railways, roads, etc. This is because these projects need a very huge initial investment and have long gestation period. Hence, PSU is the most appropriate to invest in these projects.

→ Basic Framework: An important ideology that was inherited in the initial five year plans was that the public sector should lay down the basic framework for industrialisation that would encourage the private sector at the latter stage of industrialisation.

→ Socialist Track: In the initial years after independence, Indian planners and thinkers were more inclined towards socialist pattern. It was justified on the rational ground that if the government controls the productive resources and production, then it won't mislead the country's economic growth. This was the basic rationale to set up PSUs. These PSUs produce goods not according to the price signals but according to the social needs and economic welfare growth of the country.

→ Reduce Inequality of Income and Generate Employment Opportunities: It was assumed that in order to reduce inequalities of income, eradicate poverty and to raise the standard of living, government sector should invest in the economy via PSUs.

17. Explain how import substitution can protect domestic industry.

Answer

Import substitution is also known as an inward looking trade strategy which implies discouraging the imports of those goods that could be produced domestically. Import Substitution Strategy not only reduces an economy's dependence on the foreign goods but also provides impetus to the domestic firms. Government provides various financial encouragements, incentives, licenses to the domestic producers to produce domestically the import

substituted goods. This would not only allow the domestic producers to sustain but also enables them to grow as they enjoy the protective environment. They need not to fear from any competition and also not to worry about their market share as license gives them the monopoly status in the domestic market. Being monopolist, they earn more profits and invest continuously in R&D and always look for new and innovative techniques. This gradually improves their competitiveness and when they are exposed to the international market they can survive and compete with their foreign counterparts.

18. Why and how was private sector regulated under the IPR 1956?

Answer

Under IPR 1956 the private sector was kept under state control through a system of licenses. No new industry was allowed unless a license was obtained from the government. This policy was used for promoting industry in backward regions; it was easier to obtain a license if the industrial unit was established in an economically backward area. In addition, such units were given certain concessions such as tax benefits and electricity at a lower tariff. The purpose of this policy was to promote regional equality.

Even an existing industry had to obtain a license for expanding output or for diversifying production. This was meant to ensure that the quantity of goods produced was not more than what the economy required.

19. Match the following:

1. Prime Minister	A. Seeds that give large proportion of output
2. Gross Domestic Product	B. Quantity of goods that can be imported
3. Quota	C. Chairperson of the planning commission
4. Land Reforms	D. The money value of all the final goods and services produced within the economy in one year
5. HYV Seeds	E. Improvements in the field of agriculture to increase its productivity
6. Subsidy	F. The monetary assistance given by government for production activities.

Answer

1. Prime Minister	C. Chairperson of the planning commission
2. Gross Domestic	D. The money value of all the final goods and services produced within the economy

Product	in one year
3. Quota	B. Quantity of goods that can be imported
4. Land Reforms	E. Improvements in the field of agriculture to increase its productivity
5. HYV Seeds	A. Seeds that give large proportion of output
6. Subsidy	F. The monetary assistance given by government for production activities.



**Indian Economic Development Chapter 3 Liberalisation Privatisation
Globalisation An Appraisal CBSE NCERT SOLUTIONS Class 11
Economics <http://freehomedelivery.net/>**

Indian Economic Development Chapter 3 Liberalisation Privatisation
Globalisation An Appraisal CBSE NCERT SOLUTIONS Class 11 Economics
<http://freehomedelivery.net/>

**CBSE NCERT SOLUTIONS Class 11 Economics <http://freehomedelivery.net/> Indian
Economic Development Chapter 3 Liberalisation Privatisation Globalisation An Appraisal**

Page No: 53

Exercises

1. Why were reforms introduced in India?

Answer

The economic reforms were introduced in the year 1991 in India to combat economic crisis, relating to its external debt:

→ Various rules and plans introduced by the government for controlling and regulating the economy resulted in hampering the process of growth and development. National income was growing at the rate of 0.8%.

→ India was highly indebted country and government was not able to make repayments of loan from abroad.

→ Foreign exchange reserves collapsed as import is more than the export.

→ The inflation level reached 16.8% which ultimately increases the prices of essential goods.

→ India took loan from IMF and World bank to the extent of 7 billion dollars. In pressure, government have to liberalise its market.

2. Why is it necessary to become a member of WTO?

Answer

It is important for any country to become a member of WTO (World Trade Organisation) for the following reasons:

→ WTO provides equal opportunities to all its member countries to trade in the international market.

→ It provides its member countries with larger scope to produce at large scale to cater to the needs of people across the international boundaries. This provides ample scope to utilise world resources optimally and provides greater market accessibility.

→ It advocates for the removal of tariff and non-tariff barriers, thereby, promoting healthier and fairer competition among different producers of different countries.

→ The countries of similar economic conditions being members of WTO can raise their voice to safeguard their common interests.

3. Why did RBI have to change its role from controller to facilitator of financial sector in India?

Answer

After economic liberalisation and financial sector reforms, RBI needed to shift its role from a controller to facilitator of the financial sector. This means that the financial sector may be allowed to take decisions on many matters without consulting the RBI. The reform policies led to the establishment of private sector banks, Indian as well as foreign.

4. How is RBI controlling the commercial banks?

Answer

All the banks in India are controlled through various norms and regulations of the RBI. It controls the commercial banks via various instruments like Statutory Liquidity Ratio (SLR), Cash Reserve Ratio (CRR), Bank Rate, Prime Lending (PLR), Repo Rate, Reverse Repo Rate and fixing the interest rates and deciding the nature of lending to various sectors. These are those ratios and rates that are fixed by RBI and it is mandatory for all the commercial banks to follow or maintain these rates.

5. What do you understand by devaluation of rupee?

Answer

Devaluation of Rupee refers to the fall in the value of rupee in terms of foreign currency. This means that value of rupee has fallen and the value of foreign currency has risen.

6. Distinguish between the following

(i) Strategic and Minority sale

	Strategic Sale	Minority Sale
(i)	Strategic Sale refers to the sale of 51% or more stake of a PSU to the private sector who bids the highest.	Minority Sale refers to the sale of less than 49% stake of a PSU to the private sector.
(ii)	The ownership of PSU is handed over to the private sector.	The ownership of PSU still remains with the government as it holds 51% of stakes.

(ii) Bilateral and Multi-lateral trade

	Bilateral Trade	Multilateral Trade
(i)	It is a trade agreement between two countries	It is a trade agreement among more than two countries.
(ii)	This is an agreement that provides equal opportunities to both the countries.	This is an agreement that provides equal opportunities to all the member countries in the international market

(iii) Tariff and Non-tariff barriers.

	Tariff Barriers	Non-tariff Barriers
(i)	It refers to the tax imposed on the imports by the country to protect its domestic industries.	It refers to the restrictions other than taxes, imposed on imports by the country.
(ii)	It includes custom duties, export-import duties	It includes quotes and licenses.
(iii)	It is imposed on the physical units (like per tonne) or on value of the goods imported.	It is imposed on the quantity and quality of the goods imported.

7. Why are tariffs imposed?

Answer

Tariffs are imposed to make imports from foreign countries relatively expensive than domestic goods. This discourages imports and protects domestically produced goods.

8. What is the meaning of quantitative restrictions?

Answer

Quantitative restrictions are specific limits imposed by countries on the quantity or value of goods that can be imported or exported. It can be in the form of a quota, a monopoly or any other quantitative means.

9. Those public sector undertakings which are making profits should be privatized. Do you agree with this view? Why?

Answer

The PSUs which are making profits should not be privatized because they are revenue generators for the government. But if a PSU is an inefficient and loss-making one, then the same PSU exerts unnecessary burden on the government's scarce revenues and further may lead to budget deficit. The loss-making PSUs should be privatized. Further, some of the PSUs like water, railways, etc. enhance the welfare of the nation and are meant to serve the general public at a very nominal cost. Privatization of such important PSUs will lead to a loss of welfare for poor people. Hence, only less important PSUs should be privatized while leaving the core and important PSUs to be owned by the public sector. Instead of privatization of profit-making PSUs, the government can allow a more degree of autonomy and accountability in their operations, which will not only increase their productivity and efficiency but also enhance their competitiveness with their private counterparts.

10. Do you think outsourcing is good for India? Why are developed countries opposing it?

Answer

Yes, outsourcing is good for India because:

→ Employment: For a developing country like India, employment generation is an important objective and outsourcing proves to be a boon for creating more employment opportunities. It leads to generation of newer and higher paying jobs.

→ Exchange of technical know-how: Outsourcing enables the exchange of ideas and technical know-how of sophisticated and advanced technology from developed to developing countries.

→ International worthiness: Outsourcing to India also enhances India's international worthiness credibility. This increases the inflow of investment to India.

→ Encourages other sectors: Outsourcing not only benefits the service sector but also affects other related sectors like industrial and agricultural sector through various backward and forward linkages.

→ Contributes to human capital formation: Outsourcing helps in the development and formation of human capital by training, imparting them with advanced skills, thereby, increasing their future scope and their suitability for high ranked jobs.

→ Better standard of living and eradication of poverty: By creating more and higher paying jobs, outsourcing improves the standard and quality of living of the people in the developing countries. It also helps in reducing poverty.

→ Greater infrastructural investment: Outsourcing to India requires better quality infrastructure. This leads to the modernisation of the economy and larger investment by the government to develop quality infrastructure and develop quality human capital.

Developed countries opposing this because outsourcing leads to the outflow of investments and funds from the developed countries to the developing nations. Also the MNCs contribute more to the development of the host country than

the home country. It also resulting in unemployment in the countries where it is located.

11. India has certain advantages which make it a favourite outsourcing destination. What are these advantages?

Answer

The advantages which make it a favourite outsourcing destination are:

→ Easy Availability of Cheap Labour: As the wage rates in India are comparatively lower than that of in the developed countries, MNCs find it economically feasible to outsource their business in India.

→ Skills: Indians have reasonable degree of skills and techniques also knowledge of international language, English.

→ Stable Political Environment: The democratic political environment in India provides a stable and secured environment to the MNCs to expand and grow.

→ Availability of raw material at cheaper rate: India is well enriched in natural resources. This ensures the MNCs cheap availability of raw material and undisturbed and perennial supply of raw materials. This enables proper and smooth operation of MNCs.

12. Do you think the navaratna policy of the government helps in improving the performance of public sector undertakings in India? How?

Answer

The government has decided to give special treatment to some of the important profit making PSUs. The granting of navaratna status resulted in better performance of these companies They were given greater managerial and operational autonomy, in taking various decisions to run the company efficiently and thus increase their profits. They also became highly competitive and some of them are becoming the giant global players. Therefore, the navaratna policy has certainly improved the performance of these PSUs.

13. What are the major factors responsible for the high growth of the service sector?

Answer

There are various factors which are responsible for the high growth of the service sector:

→ Reforms introduced in 1991, removes various restrictions on the movement of international finance which led to huge inflow of foreign capital, foreign direct investments and outsourcing to India. This encouraged the service sector growth.

→ Availability of cheap labour and skilled labour at lower wage rate.

→ The revolution in Information Technology (IT) field in India has also played a major role in the high growth of the service sector.

→ Indian economy is experiencing structural transformation that implies shift of economic dependence from primary to tertiary sector. Due to this transformation, there was increased demand of services by other sectors which y boosted the service sector.

14. Agriculture sector appears to be adversely affected by the reform process. Why?

Answer

The economic reforms of 1991 have not been able to benefit agriculture, where the growth rate has been decelerating. The reasons are:

→ Public investment in agriculture sector especially in infrastructure, which includes irrigation, power, roads market linkages and research and extension, has been reduced in the reform period.

→ Removal of subsidies on fertilisers pushed up the cost of production of agriculture. This made farming more expensive, thereby, adversely affecting the poor and marginal farmers.

→ Since the commencement of WTO, this sector has been experiencing a number of policy changes such as reduction in import duties on agricultural products, removal of minimum support price and lifting of quantitative restrictions on agricultural products.

15. Why has the industrial sector performed poorly in the reform period?

Answer

The industrial sector has performed poorly in the reform period due to:

→ The cheaper imports of foreign goods have replaced the demand of domestic goods.

→ Due to lack of infrastructure, the domestic firms could not compete with their developed foreign counterparts in terms of cost of production and quality of goods.

→ Developing countries like India still does not have the access to global markets of developed countries due to high non-tariff barriers.

→ The domestic industries were given protection during the pre-liberalised period but at the time of liberalisation, the domestic industries were still not developed up to the extent it was thought and consequently, they could not compete with the multi-national companies.

16. Discuss economic reforms in India in the light of social justice and welfare.

Answer

If the economic reforms have given us an opportunity in terms of greater access to global markets and high technology, it has also compromised the welfare of people belonging to poor section. It devastated the local producers as well as the farmers. It results in the greater inequalities of income and wealth. Further, the economic reforms developed the areas that were well connected with the metropolitan cities leaving the remote and rural area undeveloped. It results in growth of service sector of India especially in the

form of quality education, superior health care facilities, IT, tourism, multiplex cinemas etc. were out of the reach of the poor section of the population.



Indian Economic Development Chapter 4 Poverty CBSE NCERT SOLUTIONS Class 11 Economics <http://freehomedelivery.net/>

Indian Economic Development Chapter 4 Poverty CBSE NCERT SOLUTIONS Class 11 Economics <http://freehomedelivery.net/>

CBSE NCERT SOLUTIONS Class 11 Economics <http://freehomedelivery.net/> Indian Economic Development Chapter 4 Poverty

Page No: 79

Exercises

1. Why is calorie-based norm not adequate to identify the poor?

Answer

The calorie-based norm is not adequate to identify the poor because:

→ This mechanism groups all people together and does not differentiate between a very poor from other poor making it difficult to identify who are the most needy.

→ The norm only uses expenditure on food and some selected few items as basis of estimating poor.

→ This norm does not consider various important factors that are associated with poverty. These factors are health care, clean drinking water, proper sanitation and basic education.

→ It also fails to account for social factors that exaggerate and worsen poverty like ill health, lack of access to resources, lack of civil and political freedom, etc.

2. What is meant by 'Food for Work' programme?

Answer

'Food for Work' programme was started in 1970s to raise the standard of living of poor. These poverty alleviation programme aimed to raise income and

employment for the poor through the creation of incremental assets and by means of work generation. This programme wanted to ensure goods instead of money.

3. Why are employment generation programmes important in poverty alleviation in India?

Answer

The employment generation programme are important in poverty alleviation in India because:

→ It gives an opportunity to the poor to raise their income through government supported schemes.

→ Increase in income give access to higher standard of living and greater accessibility to education, better health facilities, proper sanitation, etc. to the poor.

→ These programmes also create additional assets by means of work generation.

4. How can creation of income earning assets address the problem of poverty?

Answer

By creating income earning assets, we can generate employment opportunities through which poors can raise their income which ultimately helpful in improving standard of living. Thereby, it address the problem of poverty.

5. The three dimensional attack on poverty adopted by the government has not succeeded in poverty alleviation in India. Comment.

Answer

The three dimensional approach of economic growth, employment generation and alleviating poverty could not achieve the desired result. Although there has been a reduction in the percentage of absolute poor in some of the states but

still the poor people lack basic amenities, literacy, and nourishment. This is because of

- Unequal distribution of land and other assets among rich and poor farmers.
- Improper implementation of poverty alleviation programmes by ill-motivated and inadequately trained bureaucrats further worsened the situation.
- Corruption along with the inclination towards interest of elites led to an inefficient and misallocation of scarce resources.

6. What programmes has the government adopted to help the elderly people and poor and destitute women?

Answer

National Social Assistance programme is one of the programme started by government to help the elderly people and poor and destitute women This programme targets elderly people, widows and the poor and destitute women who are alone and have no one to take care of them. Under this programme, these targeted people are given pension to sustain their livelihood.

7. Is there any relationship between unemployment and poverty? Explain

Answer

There is direct relationship between between unemployment and poverty. Unemployment leads to poverty and poverty in turn leads to unemployment. Unemployment is sign of poverty It leads to hunger, gloom, indebtedness etc. An unemployed person has no means to earn money and cannot fulfill his own and his family's basic needs. He and his family cannot avail quality education, medical facilities and has no means to create income-earning assets.

8. Suppose you are from a poor family and you wish to get help from the government to set up a petty shop. Under which scheme will you apply for assistance and why?

Answer

For setting up a petty shop, I would apply for financial assistance under the programme of Prime Minister's Rozgar Yojana (PMRY). Under this programme, an unemployed educated person from low-income family in rural and urban areas can set up any kind of enterprise that can generate employment.

9. Illustrate the difference between rural and urban poverty. Is it correct to say that poverty has shifted from rural to urban areas? Use the trends in poverty ratio to support your answer.

Answer

The difference between rural and urban poverty is the nature of poverty. In rural areas, poor people are those who are landless agricultural labourers, small and marginal farmers. While in urban areas, poor people are those who are unemployed, underemployed or employed in low productivity occupation with low wages.

Year	Poverty Ratio		
	Rural (%)	Urban (%)	Total (%)
1973-74	56.4	49.0	54.9
1977-78	53.1	45.2	51.3
1983	45.6	40.8	44.5
1987-88	39.1	38.2	38.9
1993-94	37.3	32.4	36.0
1999-2000	27.1	23.6	26.1
2004-05 comparable with 1993-94	28.3	25.7	27.5

Estimates Source : *Planning Commission Estimates (Uniform Reference Period)*

Yes, it is correct to say that poverty has shifted from rural to urban areas. Above data show that rural poverty has declined significantly from 56.4% in

1973-74 to 28.3% in 2004-05 whereas decline in urban poverty (from 49% to 25.7%) is not that significant. Further, the gap between the rural and urban poverty ratios which was around 7% in 1973-74 fell to just around 2% in 2004-05 again signifying the shift in poverty from rural to urban areas.

10. Suppose you are a resident of a village, suggest a few measures to tackle the problem of poverty.

Answer

Being a resident of a village, I would suggest the following measures to tackle the problem of poverty:

- Identification of poor.
- Generating employment opportunities for the identified poor.
- Free access to education and health care facilities.
- Establishment of small scale industries.
- Redistribution of income-earning assets.
- Encouraging poor for their active participation
- Organising Training Camps and Night Classes for imparting vocational training to unskilled labourers.
- Advancing financial and technical assistance to establish small enterprises.
- Upgradation of agricultural practices to raise productivity
- Enforcement of measures to check population growth.
- Development of infrastructure.
- Motivating the poor to acquire skills, information and knowledge.

**Indian Economic Development Chapter 5 Human Capital Formation
in India CBSE NCERT SOLUTIONS Class 11 Economics**

<http://freehomedelivery.net/>

Indian Economic Development Chapter 5 Human Capital Formation in India
CBSE NCERT SOLUTIONS Class 11 Economics <http://freehomedelivery.net/>

Exercises

1. What are the two major sources of human capital in a country?

Answer

Two main sources of human capital in a country are:

→ Education: Education not only raises the standard and quality of living but also encourages modern attitude of the people. It increases the productive capacity and productivity of a nation's workforce by enhancing their skills.

→ Health: It helps economic development indirectly by supplying active, energetic and healthy workforce which activates the entire production process.

2. What are the indicators of educational achievement in a country?

Answer

Some indicators of educational achievement in a country are:

→ Adult Literacy Rate: This rate indicates the percentage of the literate adult population who are aged 15 years and above.

→ Youth Literacy Rate: This rate indicates the percentage of literate people between the age of 15-24 who can read and write.

→ Primary Education Completion Rate: This rate indicates the percentage of students completing the last year of primary school.

3. Why do we observe regional differences in educational attainment in India?

Answer

There is great regional differences in educational attainment in India. Some states like Kerala, Tamil Nadu and Uttranchal have higher literacy rates while

states like Bihar, Rajasthan, U.P and Arunachal Pradesh have low literacy rates. This is due to inequalities of income and wealth on large scale also lack of investment by government on education. The people of these states give less importance to education and are mainly employed in agricultural sector or informal sector that has very less to do with education.

4. Bring out the differences between human capital and human development.

Answer

Human capital considers education and health as a means to increase labour productivity. It is a narrow concepts which treats human beings as means to achieve an end which is higher productivity, failing which the investment is not considered to be productive. Investment in education and health is unproductive if it does not enhance output of goods and services.

Human development is the based on the idea that education and health are integral part of human well being because only when people have the ability to read and write and lead a long and healthy life. It is a broader concept which considers human beings as ends in themselves. Human development occurs when majority of people in the economy are educated and healthy.

5. How is human development a broader term as compared to human capital?

Answer

Human development is far boarder concept than Human capital. Human development includes all those factors which lead to welfare and development of society and its members whereas Human Capital focuses only on Human beings and their contribution to the economy. Human development includes overall prosperity of human beings through education and health while Human capital considers human beings as a source of increasing productivity of the economy.

6. What factors contribute to human capital formation?

Answer

The factors that contribute to human capital formation are:

→ Education: It not only helps in increasing individual's productivity but also stimulates innovation and creates ability to absorb new technologies. It enhances the present economic condition and improves the future prospects of a country.

→ Health: Expenditure on health increases efficiency, efficacy and productivity of a nation's workforce. A healthy person is more productive and asset for a nation than an unhealthy person. Good health and medical facilities not only increase the life expectancy but also improve quality and standard of living. It includes provision of clean drinking water, good sanitation facilities, better medical facilities etc.

→ Training: Job training is a source of human capital formation as the return of such expenditure in the form of enhanced labour productivity is more than the cost of it. It is the most effective kind of training to a trainee, imparting him the technical skills and know-how at the actual work site. This helps the trainee not only to acquire the theoretical and practical skills simultaneously but also enables him to learn from the experiences of his trainer.

→ Migration: People migrate in search of better job opportunities and higher salaries. Migration involves cost of transportation and higher cost of living at migrated place. The enhanced earnings outweigh the costs of migration so, expenditure on migration is also a source of human capital formation.

→ Information: The degree of availability of jobs, salaries and admissions related information also play an important role in the determination of human capital. This information is necessary to make decisions regarding investments in human capital as well as for efficient utilization of the acquired human capital stock.

7. Mention two government organisations that regulate the health and education sectors.

Answer

National Council of Education Research and Training (NCERT) and All India Council for Technical Education (AICTE) are two government organisations that regulate education sectors.

Indian Council for Medical Research (ICMR) and National Institute of Health and Family Welfare are government organisations that regulate health sectors.

8. Education is considered an important input for the development of a nation. How?

Answer

Education is an importance input for the development of a nation because:

→ It provide necessary knowledge and skills to people which helps in increasing their productivity.

→ It creates social awareness and develops mental abilities of people to make right choice at the time of need.

→ It enhances the earnings capacity of an individual which ultimately improves the quality of living of people.

→ An educated person understand the problem of population growth which brings decline in population growth rate. This makes more resources available per person.

→ It helps in acceptance of modernisation and modern techniques which gives boost in development of a nation.

9. Discuss the following as a source of human capital formation

(i) Health infrastructure

(ii) Expenditure on migration.

Answer

(i) Health means a state of complete physical, social and mental soundness. It involves preventive and curative medicine, supply of clean drinking water and good sanitation etc. Investment in health sector acts as a good source of human capital formation as it provides a healthy labour force.

(ii) People migrate from one place to other in search of better job facilities. The cost of migration involves cost of transportation, and cost of living at the migrated places. The enhanced earnings outweigh the costs of migration so, expenditure on migration is also a source of human capital formation.

10. Establish the need for acquiring information relating to health and education expenditure for the effective utilisation of human resources.

Answer

The information about availability of jobs, salaries and admissions related information are important for growth of human capital. They enable the people to make better choice between various options available to them and leads to the effective utilisation of human skills and knowledge.

Also, investment made on health information improves health, efficiency, quality of living and life expectancy of people. The use of medical information and family welfare programmes ensures the supply of healthy workforce. Various health measures are not adopted due to lack of information can be minimised and helps in effective utilisation of human resources.

11. How does investment in human capital contribute to growth?

Answer

Investment in human capital contribute growth by:

→ Raising productivity: The skilled and healthy labours make utilisation of the material inputs and capital effectively which increases the productivity and ultimately faster the rate of growth.

→ Innovation: An educated person has the ability develop new skills and innovate new techniques that can be more efficient and productive and adds to economic growth.

→ High participation rate: If more people became able to do work through education and health, it will increase the participation rate of people which will accelerate the process of economic growth and development.

12. There is a downward trend in inequality world-wide with a rise in the average education levels. Comment.

Answer

The access to better education reduces the inequalities of income. Educated person has more ability and skills hence, the income is also higher. This improves the living standard and quality. The importance of education is felt worldwide and government of nations have been investing heavily in the education sector. When the education rate rises it automatically reduces the inequalities.

13. Examine the role of education in the economic development of a nation.

Answer

The role of education in the economic development of a nation are:

→ Knowledge and skills: It provides people quality skills and knowledge which enhances their productivity. This gives a greater opportunity to do work and earn high income.

→ Acceptability of modern methods: An educated individual is more able to adopt new modern techniques which boost the economy of a nation.

→ Eradication of inequality: Education proves to be an effective tool for reducing inequality. It increases the income earning capacity of economically backward sections of people in a country which reduces the slanted distribution of income.

→ Innovation: An educated person has the ability to develop new skills and innovate new techniques that can be more efficient and productive which helps in the economic development of a nation.

→ Participation rate: If a nation has more educated workforce, it will increase the participation rate of people which will accelerate the development of nation.

14. Explain how investment in education stimulates economic growth.

Answer

Education is an important source of human capital formation. Investment in education endows people with quality skills and knowledge which enhances their productivity. It makes people more able to adopt new modern techniques which helps the economy to grow. It raises the income of people and provides them a better standard of living. It generates national development consciousness. Education meets cultural needs and develops human personality. Thus, investment in education increases the economic growth.

15. Bring out the need for on-the-job-training for a person.

Answer

On-the-job training is the most effective kind of training to a trainee, imparting him the technical skills and know-how at the actual work site. The worker trained in the firm itself under the assistance of senior and experienced workers. This is needed because: → It improves the efficiency and morale of employees.
→ It enables the person to absorb values, norms and standards of an organisation.
→ It facilitates the better utilisation of raw materials.

16. Trace the relationship between human capital and economic growth.

Answer

There is a positive relationship between human capital and economic growth. Human capital formation raises the process of economic growth and economic growth raises the process of human capital formation. If we want to increase economic growth then we must have to increase our human capital. An unhealthy or uneducated labour can't add much value to economic growth. We must have to make people educated, healthy and skilled in order to accelerate our economic growth. It also contributes to innovation and more participation of people.

17. Discuss the need for promoting women's education in India.

Answer

Women have always been neglected in the field of education. If a nation wants to accelerate its economic growth then the role of women can't be neglected.

There is need for promoting women's education in India because:→ It is important to raise the social and moral status of women.

→ It plays a significant role in maintaining favorable fertility rate.

→ Health care of women and children can be enhanced with education imparted to women.

→ An educated women can infuse good moral values and can impart quality education to her children.

18. Argue in favour of the need for different forms of government intervention in education and health sectors.

Answer

There is a need for different forms of government intervention in education and health sectors because:

→ Both private and public institutions are involved in health and education sectors. Therefore, there should be some authority which should monitor their functioning.

→ Private institutions are guided by profit motive so the education and health facilities provided by them is higher.

→ Investment on education and health is to be carried out simultaneously by all different forms of government Central, State and Local as per the federal structure of India.

→ Government should set up or encourage private institutions to set up their educational and health care centers in remote and rural areas.

→ Government must maintain standard of education and health to develop human resources effectively.

19. What are the main problems of human capital formation in India?

Answer

The main problems of human capital formation in India are:

→ Rising population: Rapidly rising population exerts pressure on the limited resources hence reduces per capita available resource.

→ Less Quality: Human capital must be made qualitatively. But to provide education, a lot of education institutions set up which provide inferior quality of education and skills. This is also happening with health care facilities.

→ Brain Drain: People migrate from one place to another in search of better job opportunities and handsome salaries. Migration of highly skilled labour is termed as Brain Drain which adversely affect the economic development.

→ Improper Man Power Planning: India lacks in proper man power planning. No major efforts have been taken to maintain the demand-supply balance of the rising labour force. So, it leads to the wastage and misallocation of human skills.

20. In your view, is it essential for the government to regulate the fee structure in education and health care institutions? If so, why?

Answer

Yes, the government must regulate the fee structure in education and health care institutions. Education and health sectors are the two major sources for the formation of good quality human capital. The economic growth of a country depends on human capital formation. There is a great contribution of private institutions in educational and health care facilities. Also, the fees of both are very high in private made institutions as these are guided by profit motive. Therefore, intervention in health and education sector to regulate the fees structure is must in order to enhance the quality of human capital.

**Indian Economic Development Chapter 6 Rural Development CBSE
NCERT SOLUTIONS Class 11 Economics
<http://freehomedelivery.net/>**

Indian Economic Development Chapter 6 Rural Development CBSE NCERT SOLUTIONS Class 11 Economics <http://freehomedelivery.net/>

CBSE NCERT SOLUTIONS Class 11 Economics <http://freehomedelivery.net/> Indian Economic Development Chapter 6 Rural Development

1. What do you mean by rural development? Bring out the key issues in rural development.

Answer

Rural development is a comprehensive term. It essentially means a plan of action for the development of areas which are lagging behind in socio-economic development.

The key issues in rural development are:

→ Human capital formation: Investment should be made in education, health and technical skill development to make people more efficient and able to do work.

→ Development of Productive resources: The rural people are mainly dependent on agriculture to earn their livelihood that usually suffers from low productivity, lack of infrastructure and disguised unemployment. Therefore, efforts must be made towards development of alternative occupation through available resources.

→ Land Reforms: Land reforms with technical reforms allow the farmers to use modern techniques and methods which increase the productivity and aggregate volume of farm output. Land reforms also lead to efficient and optimum use of land, enabling large scale production.

→ Development of Infrastructure: Infrastructure the basic level for all kind development such as electricity, irrigation, bank, credit, transportation, development of markets etc.

→ Alleviation of Poverty: Special measures should be taken to tackle poverty and bringing about significant improvement in the living conditions of the weaker sections of the people emphasizing access to productive employment opportunities.

2. Discuss the importance of credit in rural development.

Answer

Credit Plays an important role in rural development Growth of rural economy depends primarily on infusion of capital from time to time to realise higher productivity in agriculture and non-agriculture sectors. The long gestation period between sowing and harvesting of the crops, credit is extended to the farmers for meeting their initial requirements of farm inputs like seeds, fertilisers, etc. The farmers require funds for meeting their general and specific needs. They also require credit for buying cattle, purchasing land or irrigation facilities.

3. Explain the role of micro-credit in meeting credit requirements of the poor.

Answer

The credit and financial services provided to the poor through Self Help Groups (SHGs) and non government organisations are known as micro credits. The Self Help Groups are playing a crucial role in meeting the credit requirements of the poor by inculcating saving habits among the rural households. The individual savings of many farmers are pooled together to meet the financial requirements of the needy members of the SHGs. The members of these groups have been linked with the banks. In other words, SHGs enable the economically poor individual to gain strength as part of a group. Also, the financing done through SHGs reduces transaction costs for both the lenders and the borrowers. The National Bank for Agricultural and Rural Development (NABARD) played a key role in providing credit at

special concessional rates. Presently, more than seven lakhs SHGs are operating across different rural areas. SHGs' programmes are becoming popular among the small and marginal borrowers owing to their informal credit delivery mechanism along with minimum legal formalities.

4. Explain the steps taken by the government in developing rural markets.

Answer

The various steps taken by the government in developing rural markets are:

→ Regulated Markets: The regulation of markets to creates orderly and transparent market conditions. The sale and purchase of the products are monitored by the Market Committee which consist of farmers, government agents and traders. It helps in enforcement of standard weights, fixation of charges, setting of disputes etc. which is helpful for both farmers and consumers.

→ Development of Infrastructure: The government has taken measures to develop infrastructure like roads, warehouses, railways, cold storages etc. which help in transportation and storage facilities.

→ Co-operative marketing: It is a measure to ensure a fair price to farmers Member farmers sells their surplus to the cooperative society which substitutes collective bargaining in place of individual bargaining.

→ Policy Instruments: Various policy instrument has also been initiated by the government such as fixation of minimum support price, Buffer stock and Public Distribution system which aimed at increasing the income of farmers as well as providing food grains at subsidised rate to poor.

5. Why is agricultural diversification essential for sustainable livelihoods?

Answer

The agricultural diversification means diversification of crop production and shifting of agricultural workforce to other allied activities such as livestock,

poultry, fisheries, etc. and non-agriculture sector to raise income and to explore alternative sources of revenues. This is essential because:

→ A substantial portion of Indian farming is dependent on the vagaries of monsoon, making it a risky affair to rely upon solely. Accordingly, the need for diversification is required to enable the farmers to earn from other alternative non-farm occupations. This lessens excess burden on agriculture by reducing disguised unemployment.

→ The kharif season opens up ample opportunities for agricultural employment. However, owing to lack of irrigation facilities, the farmers fail to get gainful employment opportunities during the Rabi season.. Therefore, the need of diversification arises during the Rabi season.

→ Agriculture being over crowded cannot further generate employment opportunities.. Therefore, the prospects of the non-farm sectors should be opened up in the rural areas to provide job opportunities, thereby, diverting workforce from the already crowded agricultural sector.

→ The non farm sector has several segments that possess dynamic linkages. Such linkages enhance the healthy growth of an economy.

Page No: 114

WE ARE WITH YOU.....

6. Critically evaluate the role of the rural banking system in the process of rural development in India.

Answer

Rural banking has played a crucial role in the process of rural development in India. The National Bank for Agricultural and Rural Development (NABARD) has made a significant progress in the field of rural credit. It cannot be denied that the institutional credit has freed the farmers from the trap of money lenders. But, on the other hand, institutional credit is not free from deficiencies. The rural or institutional credit has invariably been associated with security or collateral. Consequently, a substantial number of farmers can't avail credit. Also, the commercial banks failed to encourage the habit of thrift

among farmers. In addition to this, the leniency on the part of the government to collect taxes was another setback in the rural banking. This further led to the emergence of the feeling among the farmers of not repaying the borrowed amount. This increased the defaulter's rate and led to financial unfeasibility for the rural banks.

7. What do you mean by agricultural marketing?

Answer

Agricultural marketing is a mechanism through which these goods reach different places depends on the market channels. Agricultural marketing is a process that involves the assembling, storage, processing, transportation, packaging, grading and distribution of different agricultural commodities across the country.

8. Mention some obstacles that hinder the mechanism of agricultural marketing.

Answer

Some obstacles that hinder the mechanism of agricultural marketing are:

- Farmers suffer from faulty weighing and manipulation of accounts.
- Due to misinformation about market prices and conditions farmers are forced to sell their product at lower prices.
- The farmers lack access to proper storage facilities to store their produce for future sell at better prices.
- The farmers cannot avail agricultural credit, leading to their exploitation by the moneylenders.

9. What are the alternative channels available for agricultural marketing? Give some examples.

Answer

There are various alternative channels available for agricultural marketing under which the farmers can sell their product directly to the consumers, it

increases their incomes. Some examples of these channels are Apni Mandi (Punjab, Haryana and Rajasthan); Hadaspar Mandi (Pune); Rythu Bazars (vegetable and fruit markets in Andhra Pradesh and Telangana) and Uzhavar Sandies (farmers markets in Tamil Nadu). Another alternative channel for agricultural marketing is the contract of direct sales between the farmers and the national and international companies. These companies offer advance payments to the farmers for supplying products at pre-determined rates. These alternative agricultural channels raise farmer's income and simultaneously reduce price risk for the small and marginal farmers.

10. Distinguish between 'Green Revolution' and 'Golden Revolution'.

Answer

Green Revolution	Golden Revolution
The combined use of HYV seeds and increased use of fertilisers and developed irrigation facilities jointly to increase the production of rice and wheat. This increase in the production of the food grains is known as the Green Revolution.	The rapid growth in the production of the horticultural crops such as fruits, vegetables, tuber crops, flowers, etc. is known as Golden Revolution.
It led to increase in the production of food grains, especially, of rice and wheat.	It led to increase in production of fruits, vegetables, flowers, aromatic plants, spices, etc.
As a result of this revolution, India became self-sufficient in the production of wheat and rice.	As a result of this revolution, India became a world leader in the production of mangoes, bananas, coconut and spices.

11. Do you think various measures taken by the government to improve agricultural marketing are sufficient? Discuss.

Answer

The government has taken various measures to improve agricultural marketing such as regulation of markets, development of infrastructure like cold storage, roads, railways and policy instruments but despite various attempts of the governments private trade (by moneylenders, rural political elites, big merchants and rich farmers) predominates agricultural markets. Also, there are many obstacles in the successful agricultural marketing system:

→ It is found that farmers often fall prey to defecting weighing techniques and misappropriation of accounts.

→ Farmers lack knowledge of market prices and market conditions which forces them to sell their produce at a lower price.

→ Storage facilities are insufficient which forces the farmers to sell their produce at a lower price right after harvesting. Also, insufficient storage makes the crops vulnerable to pests and bad weather.

→ There is lack of institutional sources of finance which forces the farmers to fall back on moneylenders for obtaining credit.

→ Transportation facilities are insufficient as a result of which the farmers are unable to sell their produce at far off places.

12. Explain the role of non-farm employment in promoting rural diversification.

Answer

The agricultural sector in India is overcrowded, a major portion of labour force needs to find alternate employment opportunities in other non-farm sectors. Diversification towards non-farm sectors not only to reduce the risk from agriculture sector but also to provide productive sustainable livelihood options to rural people. Non-farm economy has several segments in it; some possess dynamic linkages that permit healthy growth while others are in subsistence, low productivity propositions. The dynamic sub-sectors include agro-processing industries, food processing industries, leather industry, tourism, etc. Those sectors which have the potential but seriously lack infrastructure and

other support include traditional home-based industries like pottery, crafts, handlooms etc. Majority of rural women find employment in agriculture while men generally look for non-farm employment. In recent times, women have also begun looking for non-farm jobs.

13. Bring out the importance of animal husbandry, fisheries and horticulture as a source of diversification.

Answer

Animal husbandry, fisheries and horticulture can be very important as a source of diversification in rural economy. While animal husbandry and horticulture can be practiced in almost every village, fishery can be practiced only at select locations. However, these activities will help in ensuring alternate sources of income to the farmers. These activities are also more sustainable compared to farming which involves just two major cropping seasons in a year. The success of Operation Flood has shown that dairy farming can help in making the farmers prosperous. At present, about 70 million small farmers earn their livelihood from animal husbandry. Animal husbandry can be especially helpful in ensuring livelihood for landless farmers. Similarly, the success of Blue Revolution has helped in improving the condition of the fishing community. Today, the total fish production accounts for 0.7% of the GDP.

14. 'Information technology plays a very significant role in achieving sustainable development and food security' — comment.

Answer

Information technology (IT) plays a very significant role in achieving sustainable development and food security. Governments can predict areas of food insecurity and vulnerability using appropriate

information and software tools so that action can be taken to prevent or reduce the likelihood of an emergency. It also has a positive impact on the agriculture sector as it can disseminate information regarding emerging technologies and its applications, prices, weather and soil conditions for growing different crops etc. Though IT is, by itself, no catalyst of change but it can act as a tool for

releasing the creative potential and knowledge embedded in the society. It also has potential of employment generation in rural areas. Thus, it can be said that IT plays a vital role in assuring food security and sustainable development in India.

15. What is organic farming and how does it promote sustainable development?

Answer

Organic farming is a whole system of farming that restores, maintains and enhances the ecological balance. In other words, this system of farming relies upon the use of organic inputs for cultivation. The traditional farming involves the use of chemical fertilisers, toxic pesticides, etc. that harms the eco system drastically. So, this type of farming is practiced to produce toxic-free food for the consumers while simultaneously maintaining the fertility of the soil and contributing to ecological balance. This type of farming enables eco friendly sustainable economic development.

16. Identify the benefits and limitations of organic farming.

Answer

Benefits of Organic Farming are:

→ It offers a means to substitute costlier agricultural inputs (such as HYV seeds, chemical fertilisers, pesticides etc.) with locally produced organic inputs that are cheaper and thereby generate good returns on investment.

→ The use of chemical fertilisers leads to erosion of soil fertility. As organic farming discards the use of chemical fertilisers, this farming is practiced to produce non-toxic food for the consumers without degrading the soil fertility.

→ Organically grown food has more nutritional value than chemical farming thus providing us with healthy foods.

→ Since organic farming requires more labour input than conventional farming, India will find organic farming an attractive proposition.

→ It also generates income through exports as the demand for organically grown crops is on a rise.

Limitations of Organic Farming:

→ Organic Farming offers lesser yield than the conventional farming. Therefore, the productivity of the Organic Farming is lower than that of the conventional farming.

→ The popularity of organic farming depends on the awareness and willingness of the farmers to adopt this technology. Due to lower productivity, farmers lack initiative to adopt Organic Farming techniques.

→ The inadequate infrastructure and problem of marketing are the major concerns that need to be addressed to promote Organic Farming.

→ As Organic Farming offers lesser yield than conventional farming, this farming is not financially viable for the small and marginal land-holdings farmers.

17. Enlist some problems faced by farmers during the initial years of organic farming.

Answer

In the initial years, it has been observed that the yields from Organic Farming are lesser than the modern agricultural farming. So, the farmers found it difficult to undertake large scale production. Also, due to the low yield per hectare, this technique was not financially viable for the small and marginal workers. The products obtained from organic farming have shorter life and are quickly-perishable. Moreover, the choice in production during off-season is quite limited in Organic Farming. Despite these shortcomings in the initial years, India has attained comparative advantage in Organic Farming due to labour intensive techniques. Hence, the availability of labour in abundance popularised Organic Farming in India.

Indian Economic Development Chapter 7 Employment-Growth Informalisation and Related Issues CBSE NCERT SOLUTIONS

Class 11 Economics <http://freehomedelivery.net/>

Indian Economic Development Chapter 7 Employment-Growth Informalisation and Related Issues CBSE NCERT SOLUTIONS Class 11 Economics <http://freehomedelivery.net/>

CBSE NCERT SOLUTIONS Class 11 Economics <http://freehomedelivery.net/> Indian Economic Development Chapter 7 Employment-Growth Informalisation and Related Issues

1. Who is a worker?

Answer

A worker is one who engaged in economic activity and contributes to national product.

2. Define worker-population ratio.

Answer

Worker-Population ratio is defined as the proportion of population that is actively contributing to the production of goods and services. It is measured by the ratio between the country's workforce and its total population.

Worker-population ratio = $\frac{\text{Total Workforce}}{\text{Total Population}} \times 100$

3. Are the following workers — a beggar, a thief, a smuggler, a gambler? Why?

Answer

No, a beggar, a thief, a smuggler, a gambler cannot be called as workers. A worker is involved in a production activity that contributes to the GDP of a country. As none of them are involved in any legal economic production activity that contributes to the national income of the country, hence, none of them can be regarded as workers.

Page No: 135

4. Find the odd man out (i) owner of a saloon (ii) a cobbler (iii) a cashier in Mother Dairy (iv) a tuition master (v) transport operator (vi) construction worker.

Answer

A cashier in Mother dairy is different from all others because the cashier is working in a regular salaried job.

5. The newly emerging jobs are found mostly in the _____ sector. (service/manufacturing).

► service

6. An establishment with four hired workers is known as _____ (formal/informal) sector establishment.

► informal

7. Raj is going to school. When he is not in school, you will find him working in his farm. Can you consider him as a worker? Why?

Answer

Raj can be considered as a worker because he is contributing towards productivity of his farm.

8. Compared to urban women, more rural women are found working. Why?

Answer

The percentage of female workforce in the rural areas is nearly 30 % while it is only 14 % in the urban areas.

The data shows that rural women are more working than urban women. This is because:

→ Rural women are more insecure and poor than urban women due to bigger size of family and lesser source of income.

→ As in the agricultural and allied activities, high degree of skills and specialisations is not required, so, rural women engage themselves to support their family on farms.

→ Female literacy in India is improving, yet it has to get much better before urban female accounts for higher share in the total female workforce.

9. Meena is a housewife. Besides taking care of household chores, she works in the cloth shop which is owned and operated by her husband. Can she be considered as a worker? Why?

Answer

Meena can be considered as a worker as she is involved in the production activity and contributes to the generation of GDP.

10. Find the odd man out (i) rickshaw puller who works under a rickshaw owner (ii) mason (iii) mechanic shop worker (iv) shoeshine boy.

Answer

Shoeshine boy is different from others as all others are hired workers. They render their services to their employers and receive rewards in the form of salaries or wages in return. While, shoeshine boy is a self-employed worker and carries out his occupation himself. In other words, he is engaged in his own profession.

11. The following table shows distribution of workforce in India for the year 1972-73. Analyse it and give reasons for the nature of workforce distribution. You will notice that the data is pertaining to the situation in India 30 years ago!

Place of Residence	Workforce (in millions)		
	Male	Female	Total
Rural	125	69	195
Urban	32	7	39

Answer

(i) The total workforce in India in the year 1972-73 was 234 million that includes 195 million workforce of rural and 39 million of the urban population. This indicates a greater involvement of rural workforce comprising of 83 % of the total workforce as compared to 17% of the urban workforce. This is because a majority of rural population was engaged in agricultural and allied sectors.

(ii) The rural workforce comprises of 64% of the male workforce and 36% of female workforce. On the contrast, the urban workforce comprises of about 82% of male workforce and 18% of female workforce. The participation of males in both rural as well as in the urban areas is higher than the females because of the lack of opportunities available to women for acquiring education. Also, families often discouraged female members to take up job and, consequently, women were confined to household works only.

(iii) Comparing urban female work force with that of the rural female workforce, we can conclude that the females in the rural areas formed 36 % of the workforce, whereas, the females in the urban areas formed only 18% of the workforce. In the rural areas, despite a majority of the population was engaged in farming and allied activities, agricultural sector had low productivity. Consequent to the low productivity, rural people had low earnings that further led to widespread poverty in the rural areas.

Thus, it can be concluded by analysing the above data that Indian economy suffered from low productivity, acute unemployment and widespread poverty, disguised unemployment in agricultural sector and low female participation rate in the workforce 30 years ago.

12. The following table shows the population and worker population ratio for India in 1999-2000. Can you estimate the workforce (urban and total) for India?

<i>Region</i>	<i>Estimates of Population (in crores)</i>	<i>Worker Population Ratio</i>	<i>Estimated No. of Workers (in crores)</i>
Rural	71.88	41.9	$\frac{71.88 \times 41.9}{100} = 30.12$
Urban	28.52	33.7	?
Total	100.40	39.5	?

Answer

<i>Region</i>	<i>Estimates of Population (in crores)</i>	<i>Worker Population Ratio</i>	<i>Estimated No. of Workers (in crores)</i>
Rural	71.88	41.9	$\frac{71.88}{100} \times 41.9 = 30.12$
Urban	28.52	33.7	$\frac{28.52}{100} \times 33.7 = 9.61124$
Total	100.40	39.5	$\frac{100.40}{100} \times 39.5 = 39.658$

Estimated no. of workers in urban areas = $28.52 \times 33.7 / 100 = 9.61124$

Total Workforce in India = $100.40 \times 39.5 / 100 = 39.658$

Page No: 136

13. Why are regular salaried employees more in urban areas than in rural areas?

Answer

Regular salaried more in urban areas than in rural areas because:

→ Regular salaried employees are professional skilled workers and have education qualifications. These skills are acquired through the process of training and education that cannot be accessed in the rural areas due to the lack of investment, infrastructure and low literacy level of rural people.

→ Large MNCs are concentrated only in the urban areas due to the presence of infrastructure and availability of modern facilities like banks, transport and communication, etc. which provide more job facilities.

14. Why are less women found in regular salaried employment?

Answer

Less women found in regular salaried employment because:

→ Female education is not given priority in India hence most women do not have professional skills for regular salaried employment.

→ Family in India discourages female to go out of the house and work.

→ Women work in more vulnerable situations than men and have lower bargaining power and, consequently, are paid lesser than the male workforce.

→ Females have to look after their families and household activities in India.

15. Analyse the recent trends in sectoral distribution of workforce in India.

Answer

The three major sectors of an economy i.e. Primary, Secondary and Tertiary collectively are known as occupational structure of an economy. Primary sector is the main source of employment for majority of workers in India. Secondary sector provides employment to only about 24 per cent of workforce. About 27 per cent of workers are in the service sector. Also shows that about 67 per cent

of the workforce in rural India depends on agriculture, forestry and fishing. About 16 per cent of rural workers are working in manufacturing industries, construction and other industrial activities. Service sector provides employment to only about 17 per cent of rural workers. Agriculture is not a major source of employment in urban areas where people are mainly engaged in the service sector. About 60 per cent of urban workers are in the service sector. The secondary sector gives employment to about 30 per cent of urban workforce. Though both men and women workers are concentrated in the primary sector, women workers' concentration is very high there. About 63 per cent of the female workforce is employed in the primary sector whereas less than half of males work in that sector. Men get opportunities in both secondary and service sectors.

16. Compared to the 1970s, there has hardly been any change in the distribution of workforce across various industries. Comment.

Answer

It is not true that there has hardly been any change in the distribution of workforce across various industries as compared to 1970s. In 1972-73, about 74 per cent of workforce was engaged in primary sector and in 2011-12, this proportion has declined to about 50 per cent. Secondary and service sectors are showing promising future for the Indian workforce. In these four decades people have moved from self-employment and regular salaried employment to casual wage work. Yet self-employment continues to be the major employment provider.

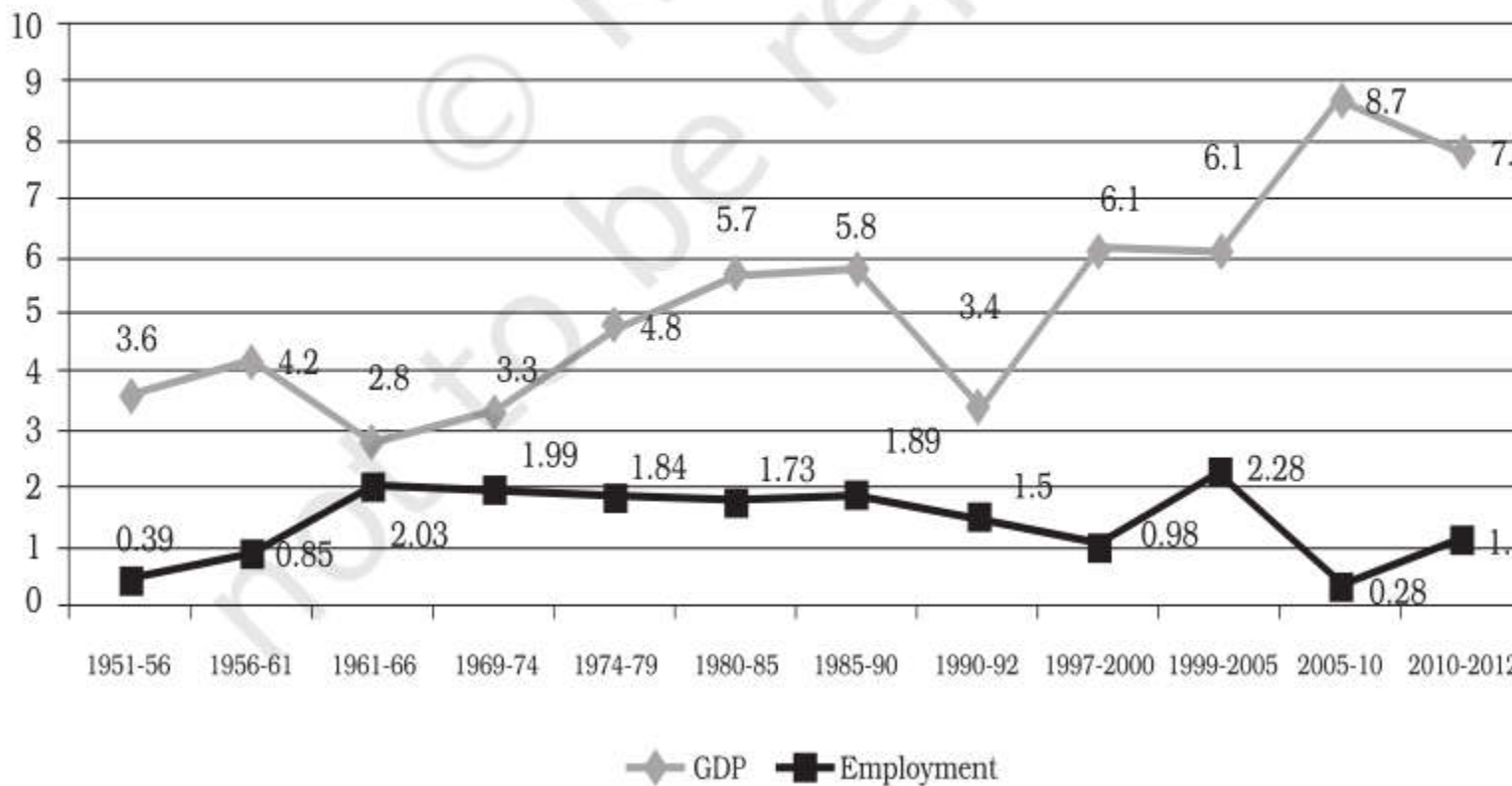
17. Do you think that in the last 50 years, employment generated in the country is commensurate with the growth of GDP in India? How?

Answer

In the last 50 years, employment generation in India is not commensurate with the growth of GDP. This can be understood by the given chart below:

Free Home Delivery
WE ARE WITH YOU.....

Chart 7.3: Growth of Employment and Gross Domestic Product, 1951–2012 (%)



The GDP growth was about 3.6% during 1950s and it grew at a healthy rate of more than 8% in 2010. Employment generation was 0.39% in the 1950s and it maintained some semblance of growth between 1960s and 1990s. But by the second half of the 2010s, employment generation fallen drastically. Therefore, we can conclude that employment generated in the country is commensurate with the growth of GDP in India. The reason is that the rise in GDP is caused by employing modern and improved technology that substituted labour for machines. This failed to generate new employment opportunities in the industrial and the tertiary sectors. Thus, the industrial and the tertiary sectors failed to absorb the excess labour from the agricultural sector. As a result, disguised unemployment in the agricultural sector continued along with low levels of productivity and massive poverty. In addition to this, MNCs that played an important role in India's economic growth provided employment only to the educated and specialised workforce. These MNCs aimed at achieving higher output levels by employing better technology rather than generating greater employment opportunities. Thus, employment generated in the country does not commensurate with the growth of GDP in India.

18. Is it necessary to generate employment in the formal sector rather than in the informal sector? Why?

Answer

Yes, it is necessary to generate employment in the formal sector rather than in the informal sector because:

- Social security benefits are provided in the formal sector like pension, provident fund and gratuity etc.
- Workers and enterprises in the formal sector get regular and more income as compared to informal sector.
- Technology used in the formal sector enterprises is updated.

Therefore, generating employment in formal sector helps in reduction of poverty and income inequalities.

19. Victor is able to get work only for two hours in a day. Rest of the day, he is looking for work. Is he unemployed? Why? What kind of jobs could persons like Victor is doing?

Answer

Yes, Victor is an unemployed worker because he is not working to his full capacity. An employed person works 6-8 hours daily. Victor could do jobs that are part time in nature like dropping news papers, working in a restaurant, delivering couriers, bank tellers, etc.

20. You are residing in a village. If you are asked to advice the village panchayat, what kinds of activities would you suggest for the improvement of your village which would also generate employment.

Answer

The suggestions I would suggest for the improvement of your village which would also generate employment:

→ Focus on poverty alleviation programmes providing employment generation opportunities such as construction of roads, schools etc.

→ Rural workers should be imparted technical knowledge and modern know-how that will not only increase their productivity but also enhance their acceptability of modernisation.

→ Easy and cheap availability of finance and credits so rural people can start small scale industries.

→ Development of community assets by generating wage employment through construction of houses, financial assistance for constructing houses, laying of rural roads etc.

21. Who is a casual wage labourer?

Answer

Casual workers refer to those workers who do not work throughout the year. They only work for few months in order to get remuneration for the work done. Casual workers are not hired by employers on a regular basis. They are generally unskilled workers. For example: workers working at a construction site.

22. How will you know whether a worker is working in the informal sector?

Answer

The following features help to recognise a worker working in the informal sector:

→ A worker working in an enterprise (other than the public sector establishments and the private sector establishments) hiring 10 or less than 10 workers.

→ This sector includes millions of farmers, agricultural labourers, owners of small enterprises and self employed. These sections of people are not hired worker.

→ A worker working in informal sector does not enjoy social security benefits such as provident fund, gratuity, pension, etc.

→ The economic interest of the workers working in the informal sector is not protected by any Labour Laws other than Minimum Wages Act. Therefore, workers in the informal sector are highly exposed to the uncertainties of the market and have low bargaining power.



Indian Economic Development Chapter 8 Infrastructure CBSE NCERT SOLUTIONS Class 11 Economics <http://freehomedelivery.net/>

Indian Economic Development Chapter 8 Infrastructure CBSE NCERT SOLUTIONS Class 11 Economics
<http://freehomedelivery.net/>

CBSE NCERT SOLUTIONS Class 11 Economics <http://freehomedelivery.net/> Indian Economic Development Chapter 8 Infrastructure

1. Explain the term infrastructure.

Answer

Infrastructure is a network of physical facilities and public services and with this social infrastructure is equally important to support it. It is an important base for economic development of the country. These services include roads, railways, ports, airports, dams, power stations, oil and gas pipelines, telecommunication facilities, the country's educational system including schools and colleges, health system including hospitals, sanitary system including clean drinking water facilities and the monetary system including banks, insurance and other financial institutions.

2. Explain the two categories into which infrastructure are divided. How are both interdependent?

Answer

Infrastructure can be divided into categories - economic and social. Infrastructure associated with energy, transportation and communication are economic infrastructure whereas those related to education, health and housing are social infrastructure.

Economic infrastructure helps in economic growth while social infrastructure enhances the quality of standard of living and ultimately leads to the welfare of the economy as a whole. Both infrastructures contributes to the prosperity of the economy. The economic growth attained with the help of economic infrastructure is imperfect without the human development which is attained by means of social infrastructure. Thus, both infrastructure are interdependent.

3. How do infrastructure facilities boost production?

Answer

The efficient working of a modern industrial economy, agriculture, transportation and communication and social sector depend upon infrastructure facilities. It decreases the cost of production and increases the profit of producers which boosts the production.

4. Infrastructure contributes to the economic development of a country. Do you agree? Explain.

Answer

Yes, infrastructure acts as a support system for production activity in the economy which contributes to economic development. Social and economic Infrastructure facilitates production. The availability of quality

infrastructure guarantees increase in production and productivity. Infrastructure ensures easy movement of goods and raw materials also reduces the wastages of resources and lead to efficient utilisation of scarce resources through human capital formation which increases the productivity. It provides an environment conducive to investment. Infrastructure contributes to economic development of a country both by increasing the productivity of the factors of production and improving the quality of life of its people. It is helpful in minimizing the morbidity of people.

5. What is the state of rural infrastructure in India?

Answer

Rural Infrastructure of India is quite inadequate. Despite so much technical progress in the world, rural women are still using bio-fuels such as crop residues, dung and fuel wood to meet their energy requirement. They walk long distances to fetch fuel, water and other basic needs. According to Census 2001 data, only 56 percent of household have electricity connection and 43 percent still use kerosene. About 90 per cent of the rural households use bio-fuels for cooking. Tap water availability is limited to only 24 per cent rural households. About 76 per cent of the population drinks water from open sources such as wells, tanks, ponds, lakes, rivers, canals, etc. Access to improved sanitation in rural areas was only 20 per cent.

6. What is the significance of energy? Differentiate between commercial and non-commercial sources of energy.

Answer

Energy is the most important component of the development process of a nation. It is needed for for industries. Now it is used on a large scale in agriculture and related areas like production and transportation of fertilisers, pesticides and farm equipment. It is required in houses for cooking, household lighting and heating

Commercial energy	Non Commercial energy
(i) The sources of energy that are available to the users at some price are referred to as commercial energy.	(i) The sources of energy that are usually available freely to the users are referred to as non-commercial energy.
(ii) This form of energy is used for commercial purposes.	(ii) This form of energy is used for domestic consumption.
(iii) For example, coal, petroleum, natural gas and electricity.	(iii) For example, Firewood, agricultural waste, animal waste (cow dung)

7. What are the three basic sources of generating power?

Answer

The three basic sources of generating power are thermal, hydro-electric, and nuclear power.

8. What do you mean by transmission and distribution losses? How can they be reduced?

Answer

Transmission and distribution losses refer to that losses which occur at the time of transmission between the sources of supply and points of distribution. They can be reduced by better management, using improved technology of transmission and distribution and avoiding theft of power.

9. What are the various non-commercial sources of energy?

Answer

The various non-commercial sources of energy are firewood, agricultural waste and dried dung.

10. Justify that energy crisis can be overcome with the use of renewable sources of energy.

Answer

The consumption of non-renewable sources of energy created threat for sustainable development of country and leads to energy crisis. Most commercial source of energy that we are using today are exhaustible also the rate of consumption of resources is faster than the rate of their production so, the resources get exhausted quickly. But on the other hand, renewable resources get renewed or replenished quickly. These are unlimited and are not affected by human activities, such as solar and wind energy. Hence, energy crises can be overcome by the increased use of cost-effective technology of searching the renewable resources of energy.

11. How has the consumption pattern of energy changed over the years?

Answer

The pattern of energy consumption has undergone considerable change overtime. The use of primary sources like coal, petroleum and natural gas has undergone a significant change. The non-commercial use of this energy has increased from 36% to 76% during 1953-54 to 2004-05. The percentage of direct final consumption of coal has drastically reduced irrespective of the increase in the total consumption of coal. Its consumption increased from 95 million tonnes in 1980-81 to 355 million tonnes in 2008-09. Also, the consumption of oil, for which our country was dependent upon Gulf countries, has increased. The consumption of electricity in the agricultural sector has increased overtime, whereas, it remained the highest in the industrial sector as compared to other sectors.

12. How are the rates of consumption of energy and economic growth connected?

Answer

Electricity plays an important role in the development of a country. Transportation, communication, Industrial production which are essential for economic growth of a country require energy. According to a study to achieve 8 percent of GDP growth rate the power supply should go around 12 percent.

13. What problems are being faced by the power sector in India?

Answer

The problems being faced by the power sector in India are:

- The installed capacity of India to generate electricity is not sufficient enough to meet an annual economic growth of 7%.
- The State Electricity Boards (SEBs) that distribute electricity suffered a great loss of more than Rs.500 billion due to transmission and distribution of electricity.
- The wrong pricing of electricity like supply of electricity at subsidised rates to agricultural sector and theft of electricity has exaggerated the problems of power sector.
- The high power tariffs and prolonged power cuts is another challenge in the power sector.
- The thermal power station faces the scarcity of the raw materials to generate electricity.

14. Discuss the reforms which have been initiated recently to meet the energy crisis in India.

Answer

The reforms which have been initiated recently to meet the energy crisis in India are:

- Privatisation in Power Generation Sector: The government earlier had the monopoly in the generation and distribution of electricity. Now, private sector has been given the rights to generate power.
- Privatisation in Power Transmission: The Indian government has approved Tata Power and Powergrid Corporation of India for constructing transmission networks in joint venture.
- POWER for ALL by 2012: The Ministry of Power has set up an objective of 'POWER for ALL by 2012' to achieve the target of 1000 Kwhr (Units) of per capita consumption of electricity in India. This objective is aligned with the objective to achieve an economic growth of 8% p.a. The main motive of this target is to improve the quality of power, improve the commercial viability of power industries and to provide power to all.
- Setting up Regulatory Mechanism: The Central Electricity Regulatory Commission (CERC) along with State Electricity Regulatory Commissions (SERC) has been established in 19 states under the Electricity Regulatory Commissions Act, 1998. These commissions and authorities regulate tariff, promote efficiency and competition.
- Encouraging FDI: In order to achieve the target of POWER for ALL by 2012, the Ministry of Power aimed at attracting US \$250 billion of Investment (FDI and Domestic Investment Combined) into the power sector.
- Accelerated Power Development and Reform Programme (APDRP): APDRP has been initiated in the year 2000-01 with the motive of improving financial viability, reducing transmission and distribution losses and promoting transparency through computerization.
- Awareness: The government is encouraging people to increase the use of renewable resources and also creating awareness among the people to reduce the conventional resources. During the Eight Five Year Plan, government has set up National Energy Efficiency Programme (NEEP) that aimed at conservation of petroleum products.

→ Improving Productivity: The Indian government has been emphasising on the measures to improve the productivity of the existing power generating industries.

15. What are the main characteristics of health of the people of our country?

Answer

Health is not only absence of disease but also the ability to realise one's potential. It is a yardstick of one's well being. Health is the holistic process related to the overall growth and development of the nation. The health status of a country can be assessed through indicators such as infant mortality and maternal mortality rates, life expectancy and nutrition levels, along with the incidence of communicable and non-communicable diseases. Life expectancy at birth is only 67 years which is low in comparison to global standards. Infant mortality as well as child mortality rates are still high in India though they have shown a declining trend in the past few years. Around 60% of births in India still take place without the help of skilled attendants.

16. What is a global burden of disease?

Answer

Global Burden of Disease (GBD) is an indicator used by experts to know the number of people dying prematurely due to a particular disease as well as the number of years spent by them in a state of 'disability' owing to the disease.

17. Discuss the main drawbacks of our health care system.

Answer

The main drawbacks of our health care system are:

→ Unequal Distribution of Health Care Services: The health care services are unequally distributed across rural and urban areas. Rural areas that supports 70 % of the population, has only 1/5th of the hospitals. Further, the doctor-population ratio is as worse as 1:2,000. This implies that for every 2,000 people, there is only one doctor in India. Only half of the dispensaries are set up in villages. Most of the health care facilities have been confined mostly to the urban areas.

→ Communicable Diseases: various communicable diseases like AIDS (Acquired Immune Deficiency Syndrome), HIV (Human Immune Deficiency Syndrome), and SARS (Severe Acute Respiratory Syndrome) have made their way to India. All these deadly diseases pose serious threat to the human capital reserve, thereby, impeding economic growth.

→ Poor Management: The health care centres lack trained and skilled personnel in the rural areas. Therefore, rural people have to rush to the urban health care centres. This becomes worse in the absence of proper roads and other cost-effective means of transportation.

→ Lack of Modern Techniques and Facilities: The government health centres are usually devoid of the basic facilities like blood testing, X-rays, etc. These centres lack modern techniques and medical facilities like, CT-scan, sonography, etc. In order to avail these services, people need to depend on the private hospitals that charge exorbitant fees.

→ Privatisation: The inability of the government to provide sufficient health care centres and other medical facilities paved the way for the private sector to step in. The private sector is governed by price signals, thereby, catering to the need of the higher income group, leaving the low income group and the poor at their own mercy. This is due to the privatisation of the health care sector. The private hospitals are attracting more patients than the government hospitals as the government hospitals are devoid of facilities.

18. How has women's health become a matter of great concern?

Answer

Women constitute about half the total population in India. The deterioration in the child sex ratio in the country from 927 in 2001 to 914, as revealed by the census of 2011, points to the growing incidence of female foeticide in the country. Close to 3,00,000 girls under the age of 15 are not only married but have already borne children at least once. More than 50 per cent of married women between the age group of 15 and 49 have anaemia and nutritional anaemia caused by iron deficiency, which has contributed to 19 per cent of maternal deaths. Abortions are also a major cause of maternal morbidity and mortality in India. Therefore, women's health become a matter of great concern.

19. Describe the meaning of public health. Discuss the major public health measures undertaken by the state in recent years to control diseases.

Answer

The science and practice of protecting and improving the health of a community, as by preventive medicine, health education, control of communicable diseases, application of sanitary measures and monitoring of environmental hazards is called public health. In the recent years, India has embarked upon the development of vast infrastructure.. At the village level, a variety of hospitals were set up by the name of Primary Health Centres (PHCs). The large number of hospitals is run by various voluntary agencies and by the private sector. The hospitals are managed by professionals and by Para Medical professionals trained in medical, pharmacy and nursing colleges. There has been a significant expansion in the provision of health services. The number of hospitals and dispensaries has increased from 9300 to 43300 and hospital beds from 1.2 to 7.2 million during 1951 to 2000. Also, nursing personnel has increased from 0.18 to 8.7 lakh and allopathic doctors from 0.62 to 5 lakhs during the same period. The provision of various facilities has resulted in the eradication of small pox, polio, leprosy, and other deadly diseases.

20. Differentiate the six systems of Indian medicine.

Answer

The six systems of medicines are Ayurveda, Yoga, Siddha, Naturopathy, Unani and Homeopathy.

21. How can we increase the effectiveness of health care programmes?

Answer

Health is a vital public good and a basic human right. These facilities can be provided to all if public health services are decentralised. It implies that the

power of providing these services should be delegated from the central to the local authorities. The success of health care depends upon education, spread of knowledge, awareness and efficient health infrastructure. It is crucial to create awareness about health and hygiene among people. The telecom and IT sectors can further aggravate the effectiveness of health care programmes. Further, providing quality medical facilities at nominal costs can promote its worthiness and popularity. In order to enhance the effectiveness of health care programmes, the main focus should be on increasing the number of hospitals, modernisation of medical facilities, development of infrastructure, improving the doctor-population ratio and increasing the number of medical colleges in India. The availability and development of medical facilities in the rural areas is still a far cry. Further, there must be some regulation to check the exorbitant fees charged by the private medical centres to make health care facilities accessible and affordable to all.



Indian Economic Development Chapter 9 Environment Sustainable Development CBSE NCERT SOLUTIONS Class 11 Economics
<http://freehomedelivery.net/>

Indian Economic Development Chapter 9 Environment Sustainable Development CBSE NCERT SOLUTIONS Class 11 Economics
<http://freehomedelivery.net/>

CBSE NCERT SOLUTIONS Class 11 Economics <http://freehomedelivery.net/> Indian Economic Development Chapter 9 Environment Sustainable Development

1. What is meant by environment?

Answer

Environment is defined as the total planetary inheritance and the totality of all resources. It includes all the biotic and abiotic factors that influence each other.

2. What happens when the rate of resource extraction exceeds that of their regeneration?

Answer

When the rate of resource extraction exceeds that of their regeneration, the environment fails to perform its third and vital function of life sustenance and this results in an environmental crisis.

3. Classify the following into renewable and non-renewable resources (i) trees (ii) fish (iii) petroleum (iv) coal (v) iron-ore (vi) water

Answer

Water, trees and fish are the renewable resources. Petroleum, coal and iron ore are non-renewable resources.

4. Two major environmental issues facing the world today are _____ and _____.

Answer

global warming , ozone depletion.

5. How do the following factors contribute to the environmental crisis in India? What problem do they pose for the government?

- (i) Rising population
- (ii) Air pollution
- (iii) Water contamination
- (iv) Affluent consumption standards
- (v) Illiteracy
- (vi) Industrialization
- (vii) Urbanization
- (viii) Reduction of forest coverage
- (ix) Poaching
- (x) Global warming.

Answer

(i) Rising population: The rising population creates pressure on available resources. The intensive and extensive extraction of both renewable and non-renewable resources has led to exhaustion of the vital resources. Also, the explosive population size has triggered excessive demand for housing, thereby, resulting in widespread deforestation and fast depletion of other natural resources leading to ecological imbalances. Therefore, it is high time for the Indian government to take preventive measures to control population explosion.

(ii) Air Pollution: It is widespread in urban areas of India. Increased vehicular population is the major reason of air pollution in cities. Even in villages, burning of firewood and cow dung cakes contributes to air pollution. This causes hypertension, asthma, respiratory and cardio-vascular problems. Therefore, the Indian government should take various steps to control air

pollution, avoid deforestation, increase health investment and also search for new alternative pollution free technology such as CNG, etc.

(iii) Water contamination: Contamination of water or pollution of water is posing a serious threat to human life. It is one of the principal causes of all deadly diseases such as diarrhea, hepatitis, cholera, etc. It occurs due to dumping of industrial waste, agricultural waste and sewerage into the water bodies. Thus, the Indian government should put a check on wastewater disposal. This calls for high capital investment for installation and maintenance of purifier machines.

(iv) Affluent consumption standards: The recent influence of the West and a rise in purchasing power of the middle class has led to affluent consumption standards and unnecessary luxuries with a lifestyle of conspicuous consumption have increased. This placed a huge stress on the environment in terms of resources supply and assimilation of waste. The resources have become extinct and wastes generated are beyond the absorptive capacity of the environment leading to environmental crises. The government is compelled to spend huge amounts on research and development to explore alternative environment friendly resources. Also, upgradation of environmental quality entails huge cost.

(v) Illiteracy: It is a social problem leading to the lack of awareness about environment and the harmful effects of various practices or products on the environment. The lack of knowledge and skills may lead to excessive extraction of resources and, thereby, its misuse. Thus, the government should take measures to create awareness and spread technical knowledge among people about various efficient and economising methods.

(vi) Industrialization: On one hand, it enhances our living standards but, on the other hand, it causes deforestation, depletion of natural resources. In the blind rage to achieve economic development, industrialisation acts as a catalyst. In order to speed up the process of industrialisation, natural resources are exploited at a rapid pace. More trees are being felled and, increasing volume of toxics and industrial wastes are dumped into the water bodies. All these culminate to ecological imbalances posing threat to sustainable economic

development. Thus, the government should take measures to check undue and unnecessary industrial growth in order to restore ecological balance.

(vii) Urbanisation, On the one hand, it infuses modernisation of lifestyle but, on the other hand, it leads to deforestation. In order to meet the growing demand for houses, more trees are to be felled, decreasing the land-per-man ratio. Rapid urbanisation puts an excess burden on the natural resources, causing depletion. Urbanisation also reduces the availability of land for farming purpose and lowers farm outputs. Hence, the government should take measures to mitigate the impact of urbanisation by promoting small and cottage rural industries, rural infrastructural development, thereby, reducing the rural-urban migration. Further, the government should also promote afforestation and most importantly, adopt measures to arrest population explosion.

(viii) Reduction of forest coverage: The need for reduction of forest coverage or deforestation arises due to the growing demand for land, wood, rise in population and river valley projects. Deforestation leads to reduction in oxygen level in air, soil erosion, climate change and global warming due to rise in the CO₂ level. Thus, measures are needed to promote afforestation, opening up of sanctuaries and national park such as Jim Corbett National Park.

(ix) Poaching: It is the illegal capturing, killing and hunting of animals. Due to this, many animals are on the verge of extinction. The excessive hunting and killing of animals result in serious ecological imbalances. Thus, in order to save the rare species such as Tiger, Asian Elephants, Grevy's Zebra, etc. more sanctuaries and national parks are to be set up. There is also need for various environmental legislations like Endangered Species Act in the USA that imposes strict penalties on the law breakers.

(x) Global Warming: It is a gradual increase in the average temperature of the earth due to environmental pollution and deforestation. It is caused by the emission of Green House Gases that include, particularly, carbon dioxide. The increase in the level of carbon dioxide raises the temperature of the earth surface. This risen temperature accelerates the melting of polar ice that further

leads to the rise in the sea level. Thus, the incidence of natural calamities rises due to disturbed ecological balance, thereby, posing a threat to human life.

6. What are the functions of the environment?

Answer

Function of Environment are:

- It supplies resources:
- It assimilates waste
- It sustains life by providing genetic and bio diversity and
- It also provides aesthetic services like scenery etc.

7. Identify six factors contributing to land degradation in India.

Answer

The factors contributing to land degradation in India are:

- Loss of vegetation occurring due to deforestation
- Unsustainable fuel wood and fodder extraction
- Shifting cultivation
- Encroachment into forest lands
- Forest fires and over grazing
- Non-adoption of adequate soil conservation measures.

8. Explain how the opportunity costs of negative environmental impact are high.

Answer

Opportunity cost is the cost that is foregone when we make a choice or a decision.

When the rate of resource extraction is higher than that of its renewal then many resources get exhausted. Therefore, we are compelled to spend huge amounts on technology and research to explore new resources. Added to these are the health costs of degraded environmental quality — decline in air and water quality have resulted in increased incidence of respiratory and water-borne diseases. Hence, the expenditure on health is also rising. To make

matters worse, global environmental issues such as global warming and ozone depletion also contribute to increased financial commitments for the government. Therefore, the opportunity costs of negative environmental impact are high.

9. Outline the steps involved in attaining sustainable development in India.

Answer

The steps involved in attaining sustainable development in India are:

→ Use of non-conventional sources of energy: This will help in reducing our dependency on thermal power and hydel power. Thus, use of non-conventional sources of energy will help in ensuring sustainable development.

→ LPG, Gobar gas in rural areas: Use of LPG and gobar gas in rural areas will help in reducing the extraction of firewood for fuel. Thus, it will help in reducing air pollution and felling of trees.

→ CNG in urban areas: As the example of Delhi shows, increased use of CNG in urban areas can help in improving air quality.

→ Wind power: Wind power is a renewable source of energy and can be harnessed with available technology. Many wind farms are already operational in India.

→ Solar power through photovoltaic cells: Solar panels are being used for powering traffic lights and hoardings in many cities. Solar cells are also being used in water heaters and for lightning purposes.

→ Mini-hydel plants: Mini hydel plants can be ideal for hilly areas which have large number of streams. Mini hydel plants can help in supplying electricity to remote areas and also in preventing transmission losses.

10. India has abundant natural resources - substantiate the statement.

Answer

India has abundant natural resources in terms of rich quality of soil, hundreds of rivers and tributaries, lush green forests, plenty of mineral deposits beneath the land surface, vast stretch of the Indian Ocean, ranges of mountains, etc. The black soil of the Deccan Plateau is particularly suitable for cultivation of cotton, leading to concentration of textile industries in this region. The Indo-Gangetic plains are the most fertile, densely populated and cultivated plains in the world. It stretches from the Arabian Sea to the Bay of Bengal. India's forests, though unevenly distributed, provide green cover for a majority of its population and natural cover for its wildlife. Large deposits of iron-ore, coal and natural gas are found in the country. India alone accounts for nearly 20 per cent of the world's total iron-ore reserves. Bauxite, copper, chromate, diamonds, gold, lead, lignite, manganese, zinc, uranium, etc. are also available in different parts of the country.

11. Is environmental crisis a recent phenomenon? If so, why?

Answer

Yes, the environmental crisis is a very recent phenomenon. Before the industrial revolution, the rate of extraction of resources was very low and it was less than that of renewal of resources. But after so many years of industrial revolution and subsequent development, the rate of extraction of resources has grown manifold. This has resulted in exhaustion of resources in many countries. It has also resulted in high levels of environmental pollution. Hence, it can be said that environmental crisis is a recent phenomenon.

12. Give two instances of

- (a) Overuse of environmental resources
- (b) Misuse of environmental resources.

Answer

(a) Overuse of environmental resources

→ The increasing irrigation and construction of flood storage reservoirs are resulting in the drying up of rivers.

→ The growing population and their ever growing demand are resulting in large scale deforestation. This leads to soil erosion, making the soil infertile.

(b) Misuse of environmental resources.

→ Excess use of diesel and petrols are depleting the non-renewable sources of energy.

→ Wood is obtained from trees. Using wood instead of eco friendly alternative fuels for cooking purposes brings about deforestation.

13. State any four pressing environmental concerns of India. Correction for environmental damages involves opportunity costs. Explain.

Answer

The four pressing environmental concerns of India are; air pollution, groundwater pollution, deforestation and soil erosion.

The opportunity cost of correction for environmental damages refers to the huge amount of expenditure incurred on searching for new efficient alternatives. The heavy intensive and extensive extraction of both renewable and non-renewable resources demands expenditure for exploring new alternative resources in order to avoid an environmental crisis. The discovery of such resources requires heavy investment by the government. Also, implementation and maintenance of these alternative resources involve very high cost. For example to control air pollutions we need to fit vehicles with catalytic converters which means increased cost of the vehicle. Therefore, the correction for environmental damages involves opportunity cost that is very high.

14. Explain the supply-demand reversal of environmental resources.

Answer

Before the beginning of the Industrial Revolution the supply of natural resources was higher than demand. But, in today's scenario with population explosion and industrial revolution, the demand for environmental resources is far more than its supply. Therefore, the available resources should be carefully utilised. This reversal in the demand and supply relationship is referred to as the supply-demand reversal of the environmental resources.

15. Account for the current environmental crisis.

Answer

The current environmental crisis is result of our unsustainable practices. The population explosion and affluent consumption have placed an undue and excess burden on the environment. The resources are increasingly exhausted day by day, but the regeneration of resources is constant. So, when the resources are extracted at a rapid pace than its regeneration, then the carrying capacity of the environment reduces. Then environment fails to perform its function of sustaining life, consequently, resulting in an environmental crisis. The current environmental crises includes land degradation, global warming, biodiversity loss, waste management etc.

16. Highlight any two serious adverse environmental consequences of development in India. India's environmental problems pose a dichotomy-they are poverty induced and, at the same time, due to affluence in living standards. Is this true?

Answer

The two serious issues or consequences of development in India are land degradation and Air pollution.

→ Land Degradation: The gradual but consistent loss of fertility of land is referred to as degradation of land. This is emerging as a serious concern in the context of environmental issues in India. The factors responsible for land degradation are soil erosion, deforestation, shifting cultivation, improper crop rotation etc.

→ Air Pollution: In India, air pollution is widespread in urban areas where vehicles are the major contributors and in a few other areas which have a high concentration of industries and thermal power plants. Vehicular emissions are of particular concern since these are ground level sources and, thus, have the maximum impact on the general population.

The environmental problems points to the paradoxical situation in the country. Deforestation in India is a rapid consequence of population explosion and widespread poverty. The poor people in the rural areas are compelled to fell trees for earning their livelihood. The growing demand for natural resources to carry out production activity in the urban areas is also equally responsible for the present environmental degradation. There are two different opinions on the effect of environmental activities. One opinion advocates for India's prosperity by resorting to industrial production, while, the other opinion highlights the threat of pollution due to rapidly growing industrial sector. This can be understood as in the wake of rapid urbanisation, the expansion of vehicular traffic generates pollution of noise and air.

17. What is sustainable development?

Answer

Development that meets the need of the present generation without compromising the ability of the future generation to meet their own needs is called sustainable development.

18. Keeping in view your locality, describe any four strategies of sustainable development.

Answer

The strategies of attaining sustainable development which I should use in locality are:

- Switching to alternate sources of energy; like solar energy and wind energy
- Promoting afforestation to recover the loss of greenery.
- Promoting the use of CNG in vehicles
- Building better public transport facilities.

19. Explain the relevance of intergenerational equity in the definition of sustainable development.

Answer

Sustainable development is the real economic development which emphasis on satisfying the current needs of population keeping in mind availability of resources for future generation. Sustainable development maximises the welfare of both present and future generations. This development does not mean a check on the existing pace of economic growth. It only means a judicious or optimum utilisation of resources in such a manner that pace of economic growth sustains with inter generational equity.



**Indian Economic Development Chapter 10 Comparative Development
Experience of India with its Neighbours CBSE NCERT SOLUTIONS
Class 11 Economics <http://freehomedelivery.net/>**

**Indian Economic Development Chapter 10
Comparative Development Experience of India with its
Neighbours CBSE NCERT SOLUTIONS Class 11
Economics <http://freehomedelivery.net/>**

**CBSE NCERT SOLUTIONS Class 11 Economics <http://freehomedelivery.net/> Indian
Economic Development Chapter 10 Comparative Development Experience of India with its
Neighbours**

Exercises

1. Why are regional and economic groupings formed?

Answer

Regional and economic groupings are formed by nations to strengthen their economies by close cooperation and by knowledge sharing. Regional and economic groupings such as the SAARC, European Union, ASEAN, G-8, G-20, BRICS etc help the member countries to know the development strategies and measures adopted by other member countries. This enables them to analyse their strength and weakness and, thereby, formulate policies to accelerate social progress and cultural development among its member countries. This is particularly considered essential by developing countries as they face competition not only from developed nations but also amongst themselves in the relatively limited economic space enjoyed by the developing world.

2. What are the various means by which countries are trying to strengthen their own domestic economies?

Answer

The various means by which countries are trying to strengthen their own domestic economies are:

→ Nations are forming various regional and economic groupings like SAARC, European Union, G-8, G-20, ASEAN, BRICS etc in order to strengthen their economies through economic co-operation among the countries in the group to safeguard their common interests.

→ They also try to understand the developmental processes pursued by their neighbouring nations as it allows them to better comprehend their own strengths and weaknesses vis-à-vis their neighbours.

→ Nations have also resorted to liberalising their economies by minimising government interference in economic activities. The economy is governed by market forces which promote efficiency and strengthen the economy.

→ Nations also resort to the process of globalisation to open up their economies to provide wide international market to their domestic producers.

3. What similar developmental strategies have India and Pakistan followed for their respective developmental paths?

Answer

India and Pakistan followed many similar developmental strategies.

→ India and Pakistan both have started their developmental programmes based on economic planning soon after their independence in 1947.

→ Both the countries relied on the public sector for initiating the process of growth and development.

→ Both of them have followed the path of mixed economic structure involving the participation of both the state as well as the private sector.

→ Both of them introduced economic reforms at the same time to strengthen their economies.

4. Explain the Great Leap Forward campaign of China as initiated in 1958.

Answer

The Great Leap Forward (GLF) campaign initiated in 1958 aimed at industrialising the country on a massive scale. People were encouraged to set up industries in their backyards. In rural areas, communes were started. Under the Commune system, people collectively cultivated lands. In 1958, there were 26,000 communes covering almost all the farm population.

5. China's rapid industrial growth can be traced back to its reforms in 1978. Do you agree? Elucidate.

Answer

Yes, the present-day fast industrial growth in China can be traced back to the reforms introduced in 1978. China introduced reforms in phases. In the initial phase, reforms were initiated in agriculture, foreign trade and investment sectors. In agriculture, for instance, commune lands were divided into small plots which were allocated to individual households. They were allowed to keep all income from the land after paying stipulated taxes. In the later phase, reforms were initiated in the industrial sector. Private sector firms, in general, and township and village enterprises, i.e. those enterprises which were owned and operated by local collectives, in particular, were allowed to produce goods. At this stage, enterprises owned by government known as State Owned Enterprises (SOEs) were made to face competition. The reform process also involved dual pricing. This means fixing the prices in two ways; farmers and industrial units were required to buy and sell fixed quantities of inputs and outputs on the basis of prices fixed by the government and the rest were purchased and sold at market prices. Over the years, as production increased, the proportion of goods or inputs transacted in the market also increased. In order to attract foreign investors, special economic zones were set up. Therefore, China's rapid industrial growth is attributable to the success of different phases of its economic reforms.

6. Describe the path of developmental initiatives taken by Pakistan for its economic development.

Answer

The developmental initiatives taken by Pakistan for its economic development are:

- Pakistan follows the mixed economy model with co-existence of public and private sectors.
- In the late 1950s and 1960s, Pakistan introduced a variety of regulated policy framework (for import substitution industrialisation).
- The policy combined tariff protection for manufacturing of consumer goods together with direct import controls on competing imports.
- Green Revolution led to mechanisation and increase in public investment in infrastructure in select areas, which finally led to a rise in the production of foodgrains.
- Nationalisation of capital goods industries took place in the 1970s.
- Pakistan shifted its policy orientation in the late 1970s and 1980s when the major thrust areas were denationalisation and encouragement to private sector.
- During this period, Pakistan also received financial support from western nations and remittances from continuously increasing outflow of emigrants to the Middle-east that helped the country in stimulating economic growth.
- All this created a conducive climate for new investments. In 1988, reforms were initiated in the country.

7. What is the important implication of the one child norm in China?

Answer

The important implication of the one-child norm in China is the low population growth. This measure also led to the fall in the sex ratio in China, i.e. the proportion of females per thousand males. However, after a few decades, in China, there will be more elderly people in proportion to young people. This will force China to take steps to provide social security measures with fewer workers.

8. Mention the salient demographic indicators of China, Pakistan and India.

Answer

Selected Demographic Indicators, 2013

Country	Estimated Population (in million)	Annual growth of population (2001-2010)	Density (per sq km)	Sex Ratio (out of 100 persons)	Fertility Rate	Urbanisation
India	1252	1.24	421	934	2.6	32
China	1357	0.49	145	929	1.6	53
Pakistan	182	1.65	236	947	3.3	38

From above data we can conclude that: It can be seen from the table that

- China has the highest population size closely followed by India. The population of Pakistan is very small and accounts for roughly about one-tenth of China or India.
- The density of population is lowest in China and highest in India.
- Population has been highest in Pakistan, followed by India and China. One child norm in China has lowered the growth rate of population in the country.
- The sex ratio is low and biased against females in all the three countries.
- Fertility rate is lowest in China and highest in Pakistan.
- China has the highest degree of urbanisation followed by Pakistan while India is still having a large majority of rural population.

9. Compare and contrast India and China's sectoral contribution towards GDP in 2003. What does it indicate?

Answer

Sectors	Contribution to GDP (in %) (2003)	
	India	China
Primary (Agriculture)	23	15
Secondary (Industry)	26	53
Tertiary (Service)	51	32

According to above data of India and China's sectoral contribution towards GDP in 2003, contribution of agriculture to GDP in China was 15% while in India it was 23%. On the other hand manufacturing contributes the highest to GDP in China at 53%, whereas in India service sector contributes the highest at around 51%. The process of economic growth has led to a tremendous shift in the sectoral share of output and employment. The percentage share of the primary sector in total output and employment tends to decrease while that of the secondary and tertiary sector tends to increase. This indicates that both the economies are developing. The experience of China is similar to that of the other developed countries in the world. The experience of the developed countries shows that secondary sector followed by the tertiary sector emerge as the leading sectors of the economy. Compared to China, India showed a direct shift from the primary sector to tertiary sector. This is due to the fast integration of these two economies with the other market economies of the world.

10. Mention the various indicators of human development.

Answer

The indicators of human development are:

- Life Expectancy.
- Adult Literacy Rate.
- Infant Mortality Rate.
- Percentage of the population below poverty line.
- GDP per capita
- Percentage of the population having access to improved sanitation
- Percentage of the population having access to improved water sources.

11. Define liberty indicator. Give some examples of liberty indicators.

Answer

The indicators which represent the degree of civil and political freedom to individuals in a country are known as liberty indicator. Some examples of liberty indicators are measures of the extent of Constitutional protection given to rights of citizens and the extent of constitutional protection of the Independence of the Judiciary and the Rule of Law.

12. Evaluate the various factors that led to the rapid growth in economic development in China.

Answer

The various factors that led to the rapid growth in economic development in China were:

→ Unlike India and Pakistan; Chinese reforms were not initiated under compulsion from IMF and World Bank, rather they were the results of an innate desire by the political establishment.

→ Establishment of infrastructure in the areas of health and education, long existence of decentralized planning and existence of small enterprises helped in ensuring the success of the reforms.

→ Through the commune system, there was more equitable distribution of food grains.

→ Each reform measure was first implemented at a smaller level and then extended on a massive scale. This experimentation under decentralised government enabled to assess the economic, social and political costs of success or failure.

→ The handing over plots of land to individuals for cultivation, it brought prosperity to a vast number of poor people which created conditions for the subsequent phenomenal growth in rural industries and built up a strong support base for more reforms.

13. Group the following features pertaining to the economies of India, China and Pakistan under three heads.

- One-child norm
- Low fertility rate
- High degree of urbanisation
- Mixed economy
- Very high fertility rate
- Large population
- High density of population
- Growth due to manufacturing sector
- Growth due to service sector

Answer

• India: Mixed economy, very high fertility rate, large population, high density of population, growth due to service sector

• China: One-child norm, low fertility rate, high degree of urbanization, mixed economy, large population, growth due to manufacturing sector

• Pakistan: Mixed economy, very high fertility rate, growth due to service sector.

Page No: 196

14. Give reasons for the slow growth and re-emergence of poverty in Pakistan.

Answer

The reasons for the slow growth and re-emergence of poverty in Pakistan are:

→ The Pakistan was mainly dependent on Public Sector Enterprises. Pakistan relied largely on the policy of protection by assigning central role to the Public Sector Enterprises. The operational inefficiencies of the system along with the misallocation of scarce resources resulted in slow economic growth rate and poverty.

→ The agricultural practices in Pakistan were not modernised and there remained heavy dependence on rainfall and traditional methods of farming, thereby reducing agricultural productivity and output.

→ The major portion of the foreign exchange earnings of Pakistan was in the form of remittances from Pakistani workers in the Middle-east and exports of highly volatile agricultural products. This can be regarded as one of the reasons for the slow economic growth. This is because the inflow of foreign exchange in the form of remittances substituted the need for development of manufacturing sector to earn foreign exchange by exporting manufactured goods.

→ There was an increasing dependence on foreign loans for meeting the foreign exchange requirements. Pakistan faced increasing difficulty in repaying these loans along with the mounting interest obligations in the years of agricultural failure. The increasing burden of huge foreign loans impeded the economic growth prospects of Pakistan.

→ Pakistan failed to attract any substantial amount of foreign investment due to political instability, lack of international credibility and infrastructure bottlenecks.

15. Compare and contrast the development of India, China and Pakistan with respect to some salient human development indicators.

Answer

China is way ahead of India and Pakistan at most of the human development indicators. China ranked 81, India 128th and Pakistan 136th. High ranking of China is due to the higher GDP per capita. Moreover, the one-child norm led to sustained rise in the GDP, consequently, China was ranked higher than India and Pakistan in HDI. Pakistan is ahead of India in terms of reducing the number of people below poverty line and in providing better sanitation and drinking water. But both the countries perform equally badly in terms of infant mortality and maternal mortality rates. All the three countries perform badly in sex ratio.

16. Comment on the growth rate trends witnessed in China and India in the last two decades.

Answer

India, with democratic institutions, performed moderately, but a majority of its people still depend on agriculture. Infrastructure is lacking in many parts of the country. It is yet to raise the level of living of more than one fourth of its population that lives below the poverty line. In China, the lack of political freedom and its implications for human rights are major concerns; yet, in the last three decades, it used the 'market system without losing political commitment' and succeeded in raising the level of growth along with alleviation of poverty. China has used the market mechanism to 'create additional social and economic opportunities'. By retaining collective ownership of land and allowing individuals to cultivate lands, China has ensured social security in rural areas. Public intervention in providing social infrastructure even prior to reforms has brought about positive results in human development indicators in China.

17. (a) First Five Year Plan of _____ commenced in the year 1956. (Pakistan/China)

(b) Maternal mortality rate is high in _____. (China/Pakistan)

(c) Proportion of people below poverty line is more in _____. (India/Pakistan)

(d) Reforms in _____ were introduced in 1978. (China/Pakistan).

Answer

- (a) First Five Year Plan of Pakistan commenced in the year 1956.
- (b) Maternal mortality rate is high in Pakistan.
- (c) Proportion of people below poverty line is more in India.
- (d) Reforms in China were introduced in 1978.

