INDIAN ECONOMY ON THE EVE OF INDEPENDENCE

(HANDOUT) (2/2)

CLASS XII

SUBJECT ECONOMICS

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Q.1)What do you mean by economic structure?

Ans) Economic structure is a term that describes the changing balance of output, trade, incomes and employment drawn from different economic sectors – ranging from primary (farming, fishing, mining etc) to secondary (manufacturing and construction industries) to tertiary and quaternary sectors.

Q.2)Discuss occupational structure of Indian economy at the time of Independence.

Ans) The occupational structure, which refers to the distribution of population working in different sectors, showed no variation throughout the British rule. The following are the salient features of India's pre-independence occupational structure

(i) Predominance of agriculture: Under the colonial rule, India was basically an agrarian economy, with nearly 70.75% of its workforce engaged directly or indirectly in agriculture. Due to massive poverty and widespread illiteracy during the colonial rule, a large proportion of the population was engaged in farming and related activities to earn their subsistence. But agricultural sector suffered from low productivity and, thereby its growth was highly constrained despite employing a significant proportion of the population.

(ii) Lack of Opportunities in Industry: Only a small proportion of population was employed in manufacturing sector. Nearly 10% of the total workforce was engaged in manufacturing and industrial sector. This was due to the stiff competition that the Indian industries faced from the machine made cheap goods from Britain, Further, the lack of investment initiatives and the unfavourable tariff structure constrained industrial sector. Thus, the Indian industrial sector failed to provide significant employment opportunities.

Q.3) What were the main causes of slow growth of population during British rule?

Ans)During British rule India was in first stage of demographic transition. In this stage India’s birth rate as well as death rates were very high counter balancing each other and thereby keeping the growth rate of population to be low. It is not so that British made any effort for controlling India’s population. It was due to their utter ignorance that health facilities were extremely poor making death rates high and population growth rate slow.

Q.4)Give a quantitative appraisal of India's demographic profile during the colonial period.

Ans) The demographic condition on the eve of independence was as follows:

(i)High Birth Rate and Death Rate. High birth rate and high death rate are treated as indices of backwardness of a country. Both birth rate and death rate were very high at 48 and 40 per thousand of persons res-pectively.

(ii)High Infant Mortality Rate. If refers to death rate of children below the age of one year. It was about 18 per thousand live births.

(iii)Low Life Expectancy. Life expectancy means the number of years that a new bom child on an average is expected to live. It was as low as 32 years.

(iv) Mass Illiteracy. Mass illiteracy among the people of a country is taken as an indicator of its poverty and backwardness. The population census of 1941 (which was the last census under the British rule) estimated the literacy rate at 17 per cent. This means that 83 per cent of the total population was illiterate.

Q.5) Indicate the volume and direction of trade at the time of Independence.

Ans) The volume and direction of trade at the time of Independence are indicated below:
India was a major exporter of raw material such as wool, sugar, cotton, jute, raw silk, indigo etc. at the time of Independence.
India used to import finished consumer goods such as silk, light machinery and cotton from factories of Britain.
More than half of India’s foreign trade was restricted to Britain while the rest was targeted to countries like China, Ceylon (Sri Lanka) and Persia (Iran).

Q.6) Explain infrastructure on the eve of independence.

Ans. Infrastructure comprises of such industries which help in the growth of other industries. Example: Transport, electricity, communication etc.

During the British rule, some basic infrastructure was developed in the form of railways, water transport, ports, post and telegraph, etc. however, the real intension behind these developments was to serve their own colonial interest. It is clear from the following points.

(i) Railways: British rulers introduced railways in India in 1850 and Indian Railways began their operations in 1853. It was considered as one of the most important contribution of British rulers in India.

(ii) Roads: The roads were built primarily to mobilise army within India and carrying out raw materials to the nearest railway station or to the port to sent it to Britain.

(iii) Water Transport and Air Transport: Britishers took measures for developing the water transport and air transport. Their development was far from satisfaction.

Q.7) Were there any positive contributions made by British in India? Discuss.

Ans) Though the basic intention of the British policy was not the development of Indian ecnomy but incidentally it lefts some beneficial effects also. Some of them are as under:

(i) Political and economic unification of the country.

(ii) Development of the means of transport(specially Railways and communication.

(iii) Evolution of banking and monetary system.

(iv) Introduction of modern techniques.

(v) Evolution of new social orders.

(vi) Establishment of civil laws and courts.

Q.8) What was the condition of foreign trade under the British rule?

Ans) The state of India's foreign trade during the British rule is as under:

(i) Exporter of primary products and Importer of finished goods

(ii) Drain of Indian wealth during British rule

(iii) Monpoly control of British rule.

Q.9) What factors are responsible for limited foreign trade of India?

Ans) The restrictive policies of commodity production, trade and tariffs pursued by the colonial government adversely affected the structure, composition and volume of India's foreign trade.

Q. 10) Why are tariffs imposed?

Ans) A tax or duty on imports which can be levied either on physical units, e.g. per tonne or on value. Tariff may be imposed for a variety of reasons including to raise government revenue, to protect domestic industry or low wage imports, to boost domestic employment or to ease deficit on the balance of payment.