5 Different Generations at Workplace and How Each Approach Their Work

1. Baby Boomers (1946-1964)

Baby boomers have passed their heydays and are close to their retirement. When it comes to communication, they prefer a face to face interaction or communicate via email. Baby boomers value health insurance, a respectful boss and handsome salary over other perks.

Here are some of the characteristics of baby boomers that differentiate them from other generations.

- Goal-oriented
- Disciplined
- Strong work ethics
- Competitive
- Team player

Baby boomers are workaholics and want top positions in an organization, along with prestige. Due to this, you might see them criticizing younger generations for their poor work ethics and lack of commitment to work. This creates friction between older and younger generations and the generation gap starts to widen.

2. Generation X (1965-1981)

Generation X loves to take on the challenges but also wants job security, freedom and good salary. They are resourceful, self-sufficient and independent. Generation X loves to collaborate with others and help others with their experiences. Despite being near the top of the hierarchy, they always stay in learning mode.

Generation X seeks professional coaching and signs up for mentorship programs to hone their skills. Whether it is work or life, Generation X takes a balanced approach. You can also see that trend continues when it comes to choosing communication channels. They hate being micromanaged by others and believe in empowering and trusting employees.

3. Millenials – Generation Y (1982-1995)

According to Pew Research Center, Generation Y is the largest segment in the workplace, accounting for more than **50% of the employees**. Also known as millennials, Generation Y is ambitious. Due to this, they frequently switch jobs in search of career growth and, in some cases, even change their career paths. They put a lot of emphasis on trust and transparency and hate ambiguity and slow processes.

Millennials thrive in teamwork and demand flexible work timings. Older generations such as baby boomers criticize millennials for their disrespectful attitude, unrealistic demands and reliance on technology. Generation Y wants to pursue their passion and if they find a job that helps them do that, they will stick to a job for long. Businesses will have to cater to the needs of millennials to retain them. Here is how you can do that.

- Help them learn and grow
- Provide feedback
- Recognize their accomplishments
- Make them feel comfortable at work

4. Generation Z (1995-2005)

Generation Z are tech-savvy and have an entrepreneurial mindset. Due to their tech-savvy nature, multitasking comes naturally to them and they are great at it too. This is reflected in the way they communicate because they use instant messaging or chatting applications instead of emails.

Most people belonging to the generation want to start their own business. They are highly motivated and willing to give it their best shot but also demand recognition and reward in return. Job security, independence and ability to pursue their passion are some of the things they demand from their employers. Just like millennials, Generation Z wants businesses to accommodate their individual needs.

5. Generation Alpha (2005-Onwards)

As Millennials and Generation Z pass adulthood, their kids will make their way to the workplace. They are known as Generation Alpha or iGeneration. With more than **2.5 million** generation alpha members born each week and higher life expectancy than their predecessors, Generation Alpha is all set to take over our workplace in the future. Brought up around connected devices and screens, you can see its shades in their personality too. This new breed of individuals borrows similar characteristics as their predecessors.

Development of Public Enterprises in India

In 1947, when India gained independence, there were few public enterprises in India (departmental). These were departmental undertakings and were pertaining to the Railways, Post and Telegraphs, and DefenseProduction. Over the years, the government and economists worked hard to lay the foundation for the development of public enterprises in India. In this article, we will look at the evolution of the public enterprise landscape in India.

Pre-Independence Era

The British were not keen on developing public enterprises in India. For that matter, there were very few domains that the British kept within the state. These were:

- *Defense Production* – To ensure that it remains a closely guarded secret.
- *Railways* – Since it helped in the extraction of resources on a large scale.
- *Post and Telegraph* – Since it was important for functional and strategic reasons.
- Multi-National Corporations

Importance of Public Enterprises in India

Since independence, public enterprises have been of strategic importance to the Indian economy.

- Being a country with a diverse geographical spread, public enterprises ensure that there is a balance in the regional investment. In India, there are many regions where private enterprises need incentives and concessions to induce them to operate. However, public enterprises have ensured that industries grow and flourish in different parts of the country.
- Unified controls of public enterprises ensure their economic functioning while enjoying economies of scale.

- Indian consumers have also benefitted from the development of public enterprises in India.
- Employees receive a fair deal as compared to the private sector.
- These enterprises have taken the lead to initiate development in the core sector. The core sector is comprised of strategic sectors which provide externalities to the economy as a whole. Public enterprises ventured into the core sector even when the returns were modest or insignificant.
- Further, public enterprises account for nearly 20 percent of India's Gross National Product.
- They also pay dividends to the government and enhance export earnings and import substitution.
- The public enterprise sector is a major employer. It employs around 1.9 million people whereas the private sector employs around 0.9 million people.

Initiatives to improve the performance of Public Enterprises

Despite public enterprises being important for the Indian economy, the rate of return on capital investment is very low. Hence, the Government of India took several steps to improve the overall performance of public enterprises.

- In July 1991, the Indian Government announced an Industrial Policy to help enhance the portfolio and improve the performance of public enterprises in India. Privatization, liberalization, and globalization of the Indian economy were specifically emphasized. Also, the role of the public sector was refined.
- Further, in July 1997, identified nine central public enterprises (BHEL, BPCL, GAIL, HPCL, IOC, MTNL, NTPC, ONGC, and SAIL) as 'Navratnas' and gave them autonomy for:
  - Capital investment
  - Enter into joint ventures
  - Raise capital from the international and domestic markets, etc.

- Also, in October 1997, the government identified 45 ‘Miniratnas’ and granted an enhanced autonomy and delegation of financial power.

- Over the years, the government emphasized on reviving sick and chronically loss-making enterprises. The Board for Industrial and Financial Reconstruction (BIFR) helps these enterprises and prepares appropriate revival or rehabilitation packages.

- The Indian Government also set up a Board for Reconstruction of Public Sector Enterprises (BRPSE) which advises it on proposals of restructuring or reviving sick and loss-making units along with those for disinvestment or sale or closure. As on March 30, 2006, the BRPSE offered recommendations in 31 central public sector enterprises. Of these, the government approved revival plans of 15 cases.

Performance of the Industry

The Index of Industrial Production or IIP is the measure of the industrial performance. IIP registered a growth of 1.2% in the period April-October, 2012 against a 3.6% growth in the same period in 2011. Here is how some sectors performed. Two periods are taken for the sake of comparison – April-October, 2012 and April-October, 2011.

- The manufacturing sector recorded a growth of 1.0% in 2012 against 3.8% in 2011.

- Further, the mining and electricity sector posted growth rates of -0.7% and 4.7% in 2012 against -2.2% and 8.9% in 2011.

- The Capital Goods sectors recorded a growth of -11.4% in 2012 against -0.5% in 2011.

- Consumer durables sector posted a growth of 5.6% in 2012 against 4.5% in 2011.

Difference Between Privatization and Disinvestment

Disinvestment is just the opposite of investment, i.e. it means pulling out the money invested in the company by selling the stake, either partially or fully. It is driven by the effective use of the resources, to earn the highest returns out of the money invested.

Privatization is a transition of government-owned company, operation, unit or division to the privately-owned enterprise. It happens when more than 51% of the shareholding of the government is transferred to private hands.

The development of a nation is highly dependent on the growth of the industrial sector and its growth. Privatization of various sectors is in vogue since the last few decades, as it is believed that there is a tough competition in the private sector, which brings in better offerings at reasonable prices and less corruption.

Content: Privatization Vs Disinvestment

Comparison Chart

BASIS FOR COMPARISON	PRIVATIZATION	DISINVESTMENT
Meaning	Privatization is the process of transfer of ownership of a public sector undertaking to the private sector.	Disinvestment is a process in which an organization or government sells or liquidates the assets which it owns.
Involves	Change in ownership	Dilution of ownership
Shareholding of Government	More than 50%	Less than 50%
Change in management	Results in a change in management	May or may not result in a change in management
Scope	Narrow	Comparatively wide

BASIS FOR COMPARISON	PRIVATIZATION	DISINVESTMENT
Objective	To provide financial support and to enhance the efficiency of the concern.	To make effective use of the public resource, and to increase operational and dynamic efficiency.

Factors Influencing Industrial Productivity (Six Factors)

Some of the important factors influencing industrial productivity are : (i) Technological Development (ii) Quality of Human Resources (iii) Availability of Finance (iv) Managerial Talent (v) Government Policy (vi) Natural Factors!

(i) Technological Development:

Technological development plays an important part to influence the industrial productivity. "The application of motive power and mechanical improvements to the process of production has accelerated the peace of industrialisation to an unprecedented degree, and has given us the vision of the vast and unexplored frontiers that still lie ahead of us in the realm of applied science and technology."

(ii) Quality of Human Resources:

Manpower plays a significant role. In raising industrial productivity in most of the industries. If the labour force is not adequately qualified and/or is not properly motivated, all the steps taken to increase the industrial productivity will have no result the employees' performance and attitudes have an immense effect on the productivity of any industrial unit. Three important factors which influence the productivity of labour area (a) ability of the worker, (b) willingness of the worker, and (c) the environment under which he has to work.

(iii) Availability of Finance: The ambitious plans of an industrial unit to increase the productivity will remain mere dreams if adequate financial resources are not available to introduce technical improvements and give appropriate training to the workers.

The greater the degree of mechanistion to be introduced, the greater is the need for capital. Capital will also be required for investment in research and development activities, advertisement campaign, better working conditions to the workers, up-keep of plant and machinery, etc.

(iv) Managerial Talent:

The significance of managerial talent has increased with the advancement in technology. Professional managers are required to make better use of the new technological development. Since the modern enterprises are run on a large scale, the managers must possess imagination, judgment and willingness to take imitative.

(v) Government Policy: The industrial policies of the Government have an important impact on the industrial productivity; The Government should frame and implement such policies which create favourable conditions for saving, investment, flow of capital from one industrial sector to another and conservation of national resources. Certain industries may be granted protection, and incentives may be given to the others for the development in view of the national interest.

(vi) Natural Factors:

The natural factors such as physical, geographical and climatic exercise considerable impact on the industrial productivity. The relative importance of these factors depends upon the nature of the industry, goods and services produced and the extent to which physical conditions are controlled.

Industrial Growth Pattern in India (4 Phases)

The industrial growth pattern in India can be divided into four phases as explained below:

1. First Phase (1951-65): Strong Industrial Base:

The first phase of industrial growth consists of the first three plan periods which had build a strong industrial base in India. During this phase, huge investments were made in major industries like iron and steel, heavy engineering and machine building industries. The annual compound growth rate of industrial production during the first three plan periods moved between 5.7 per cent to 9.0 percent.

2. Second Phase (1965-80): Deceleration and Retrogression:

The second phase of industrial growth covers the period of three Ad-hoc Annual Plans, Fourth Plan and Fifth Plan. The annual compound growth rate in industrial production declined from 9.0 per cent during the Third Plan to only 4,1 per cent covering the period of 1965 to 1976. In 1976-77, the annual rate of growth of industrial output was 6.1 per cent. In 1979-80, a negative annual growth rate of (—) 1.6 per cent was recorded in respect of industrial outputs as the index of industrial production in this year (Base 1970 = 100) has declined to 148.2 as compared to 150.7 in 1978-79.

Causes of Deceleration and Retrogression:

The causes of deceleration and structural retrogression during the second phase are;

(a) The wars of 1962, 1965 and 1971. During this period investment was made into unproductive uses. Successive droughts of 1965-67 and 1971-73, and oil crisis of 1973 was also responsible for supply constraints.

(b) Considerable slackening of real investment;

(c) Unequal distribution of income in favour of the rich followed by stagnation in demand for consumer goods;

(d) Unsatisfactory performance of the agricultural sector;

(e) Policy constraints and bureaucratic obstacles on industrial growth;

(f) Conflicts in the dominant coalition between proprietary classes, capitalist class and the class representing rich agricultural farmers.

3. Third Phase: Industrial Recovery in Eighties (1981 to 1991):

The third phase of industrial growth covers the period of eighties consisting of both Sixth and Seventh Plan. This period of eighties experienced industrial recovery. During the period 1981-85, the average annual rate of growth of industrial production was accelerated to 7.0 per cent which further increased to 8.6 per cent during 1985-90. In 1990-91 also, the annual rate of industrial growth was registered at 9.0 per cent.

Causes of Industrial Slow down:

The factors responsible for industrial slow down in the fourth phase are summarized as below:

(a) Decline in the growth of export to 4.6 per cent in the first eight months between April and November 1997.

(b) The impact of the tight money policy followed in 1995-96 when the monetary expansion was about 13.7 per cent;

(c) Significant build up industrial capacity in the first phase of liberalization;

(d) In some cases the rate of demand growth was overestimated.

Signs of Sustained Industrial Recovery in 1999-2000:

The acceleration of growth rates in various sectors of the economy underline the significance of industrial recovery in the current year and cyclical downturn.

Industrial Sickness in India: Meaning, Causes and Suggested Remedies

Meaning: **According to the criteria accepted by the Reserve Bank of India** "a sick unit is one which has reported cash loss for the year of its operation and in the judgment of the financing bank is likely to incur cash loss for the current year as also in the following year." **Causes:**

Industrial sickness has become a major problem of the India's corporate private sector. Of late, it has assumed serious proportions. A close look reveals that there are, at least, five major causes of industrial sickness, viz., promotional, managerial, technical, financial and political.

External vs. Internal Causes:

The factors leading to sickness can be due to reasons of finance, technical issues, mismanagement, non-availability of raw materials, power or natural calamities or disasters such, as fire or earthquake or a combination of such factors.

The causes of industrial sickness may be divided into two broad categories:

(i) external and

(ii) internal.

External causes are those which are beyond the control of its management and seen to be relatively more important than internal causes.

The causes which have been identified so far include:

(a) Delay in land acquisition and building construction

(b) Delay in obtaining financial assistance from public financial institutions

(c) Delayed supply of machinery by the manufacturers

(d) Problems related to recruitment of technical and managerial staff

(e) Delay on the part of the Government in sanctioning licences, permits, etc.

(f) Shortages of basic inputs like power and coal. Other causes include

(g) Cost over-runs due to factors beyond the control of management

(h) Lack of demand for products or shift of demand to products of rival firms due to delays in project implementation

(i) Unsatisfactory performance by collaborators—financial and technical

(j) Large changes in the scale of operation and optimum product mix in the long run and, last but not the least

(k) Changes in the policy of the Government relating to movement of goods from one place to another within the country

The primary cause seems to be:

(i) “Lack of experience of the promoters in a specific line of activity”.

The other causes are:

(ii) Differences among various persons associated with the promotion and management of the enterprise

(iii) Mechanical defects and breakdown

(iv) Inability to purchase raw materials at an economic price and at the right time

(v) Failure to make controls effective in time, in case of deficiencies in workings

(vi) Deteriorating labour-management relations and the consequent fall in capacity utilisation

(vii) Faulty financial planning and lack of balance in the financial (capital) structure.

Labor market reform

The purpose of labor market reform

Reforms in the labor market seek to improve employment prospects for workers and output for the economy. Meanwhile, some specific objectives of the improvement include:

- Making the labor market more competitive and flexible
- Improving the quality of human capital
- Improving the responsiveness of wages
- in response to the strength of supply and demand
- Increase labor mobility
- Reducing labor costs
- Reducing the natural rate of unemployment (structural and frictional unemployment)

Type

Reforms in the labor market can take forms such as eliminating minimum wages, reducing income tax rates, increasing workplace safety, and reducing unemployment benefits.

Education and training are essential to improve the quality of human resources. Both contribute to reducing structural unemployment in the economy by providing training to renew the skills of the workforce. Furthermore, both also improve the mobility of workers when moving from one position to another.

Labour Reform in India (An Overview)

Meaning of Labour Reform:

Policymakers face several kinds of choice and, hence, trade-offs. They can emphasise on enforcing higher wages only but at the cost of low employment.

Higher growth at the cost of low wages is another option to the policymakers.

Again, job security of existing workers may be the concern for policymakers at the cost of encouraging employers to adopt labour-displacing techniques of employment.

Labour Policies before the Reform Era:

Before we move to the labour policy in the pre- reform era of 1990s, we must make one important observation of the Indian labour market. Indian labour market is characterised by a sharp dichotomy. Here one finds a small enclave of organised labour. This organised sector is fairly stringently regulated.

Labour Policies and the Reform Era:

Since protective labour policies and inflexible labour laws are not in the long term interests, flexible labour market policies gained legitimacy in the climate of economic liberalism so as to promote efficiency and productivity of labour and protect them against any hazards.

The Indian neo-liberal economic reforms introduced in mid-July 1991 paid rather little attention to employment generation. That is why one finds poor employment growth during the reform period—an adverse consequence of the reform process.

Before we start our discussion on the labour market policies in the reform era, one must say that the existing labour laws are commendable in paper but not in implementation. This is what the second National Commission on Labour set up in October 1999 observed in its Report presented on June 2002; "It can be said that our labour laws… have been criticised as being ad hoc, complicated, mutually inconsistent, if not contradictory, lacking in uniformity of definitions and riddled with clauses that have become outdated and anachronistic, in view of the changes that have taken place after they were introduced many years ago."

Planning in India (An Overview)

Role of Planning In India:

Accelerating Economic Growth:

There were two main features of India's economic policy that emphasized the role of planning and intervention by the State in the development process of the Indian economy in the first three decades of planning. First, to accelerate economic growth economists and planners recognized that raising the rate of saving and investment was essential to accelerate the rate of economic growth.

To Compensate for Market Failures:

The dominant view in development economics in the fifties and sixties also laid stress on the planning by the State to compensate for 'market failures'. It was argued that while market mechanism was efficient in distributing a given stock of available goods, it was quite inefficient in allocating resources over time for investment.

This was because of myopic nature of private sector which guided the working of markets. It was therefore asserted that the State and planning could play an important role in allocating resources for investment to bring about rapid economic growth.

Regulatory Role of the State:

There is another important aspect of the role of State and planning in the development of the Indian economy which dominated economic thinking in the pre-reform period. Though the private sector was given an important role to play in the framework of mixed economy, to achieve optimal allocation of resources among different industries according to plan priorities, economic activities in the private sector were required to be regulated by the State. Further, to achieve other objectives of planning such as restraining the concentration of economic power in a few big business houses, the private sector was subjected to industrial licensing controls.

Tackling the Problems of Poverty and Unemployment:

The other problem which makes role of planning and state intervention important is the need to tackle the problems of poverty and unemployment. Since the beginning of the seventies the Indian planners realised, especially in the Fifth, Sixth and Seventh Five Year Plans, that even if growth rate of GDP was raised to 5 to 6 per cent per annum, it was not possible to make a significant dent on the problems of mass poverty and unemployment prevailing in the Indian economy.

Some argued that benefits of economic growth did not trickle down to the poor. Others were of the view that even if the poor get benefits from growth by way of more employment opportunities generated by it, mere economic growth was not enough to eradicate poverty and unemployment. Therefore, role of planning and State was necessary to start and implement special poverty and unemployment schemes such as Food for Work Programme and Employment Guarantee Schemes to help the poor and weaker sections of the society.

Development Strategy in India's Five Year Plans:

In the Second Five Year Plan strategy which continued practically till the Fourth Plan period (1969-74) it was visualized that basic constraints on development was the acute deficiency of physical capital which was responsible for small productive capacity of the Indian economy. It was further thought that the rate of capital formation depended on the domestic rate of saving which could be raised by the adoption of proper fiscal and monetary policies.

Small Scale Industries

Small scale industries (SSI) are those industries in which manufacturing, providing services, productions are done on a small scale or micro scale. For example, these are the ideas of Small scale industries: Napkins, tissues, chocolates, toothpick, water bottles, small toys, papers, pens. Small scale industries play an important role in social and economic development of India. These industries do a one-time investment in machinery, plants, and industries which could be on an ownership basis, hire purchase or lease basis. But it does not exceed Rs. 1 Crore. Let us discuss in detail about it.

Small Scale Industries

Essentially small scale industries comprise of small enterprises who manufacture goods or services with the help of relatively smaller machines and a few workers and employees. Basically, the enterprise must fall under the guidelines set by the Government of India. At the time being such limits are as follows,

- For Manufacturing Units for Goods: Investment in plant and machinery must be between 25 lakhs and five crores.

- For Service Providers: Investment in machinery must be between 10 lakhs and two crores.

In developing countries like India, these small scale industries are the lifeline of the economy. These are generally labour-intensive industries, so they create much employment. They also help with per capita income and resource utilization in the economy. They are a very important sector of the economy from a financial and social point of view.

Browse more Topics under Scales Of Business

- What are Micro Enterprises?
- Role of SSI in Economy
- Large Scale Industries
- Public Enterprises and their Structures
- Development of Public Enterprises in India
- Multi-National Corporations

Examples and Ideas of Small Scale Industries

- Bakeries
- Candles
- School stationeries
- Water bottles
- Leather belt
- Small toys
- Paper Bags

- Xerox and printing
- T-shirt Printing
- Photography
- Beauty parlours

What are the examples of Large Scale Industries?

Characteristics of Small Scale Industries

- Ownership: Such units are generally under single ownership. So it is a sole proprietorship or sometimes a partnership.
- Management: Both the management and the control generally is with the owner/owners. So the owner is actively involved with the daily running of the business.
- Limited Reach: Small scale industries have a restricted area of operations. So they meet local and regional demand.
- Labor Intensive: These small scale industries tend to use labour and manpower for their production activities. So their dependence on technology is pretty limited.
- Flexibility: These units are more adaptable to their changing business environment. So in case of sudden changes or unexpected developments, they are flexible enough to adapt and keep carrying on. Large industries do not have this advantage.
- Resources: They use local and readily available resources. This also helps the economy with better utilization of natural resources and less wastage.

What is a Micro Enterprise? Learn here in detail.

Role of Small Scale Industries in the Indian Economy

Total Production

These enterprises account for almost 40% of the total goods and services produced in the Indian economy. They are one of the main reasons for the growth and strengthening of the economy.

Employment

These small scale industries are a major source of employment in the country. The whole labour force cannot find work in the formal sector of the economy. So these labour-intensive industries provide a livelihood to a large portion of the workforce.

Whatdoes industrial structure mean?

a**structure** designed to fulfill a specific function in **industry** or to support or house equipment, raw materials, or communication lines. **Industrial structures** are most characteristic of the chemical, metallurgical, and mining **industries**

Indian Industrial Policies

At the time of Independence, the Indian economy was facing severe problems of illiteracy, poverty, low per capita income, industrial backwardness, and unemployment. After India attained its Independence in 1947, a sincere effort was made to begin an era of industrial development. The government adopted rules and regulations for the various industries. This industrial policy introduction proved to be the turning point in Indian Industrial history.

Industrial Policy

Industrial policy is a document that sets the tone in implementing, promoting the regulatory roles of the government. It was an effort to expand the industrialization and uplift the economy to its deserved heights. It signified the involvement of the Indian government in the development of the industrial sector.

Browse more Topics under Business Environment

- Introduction & Meaning & Importance of Business Environment
- Dimensions of Business Environment

With the introduction of new economic policies, the main aim of the government was to free the Indian industry from the chains of licensing. The regulatory roles of the Indian government refer to the policies towards industries, their establishments, their functioning, their expansion, their growth as well as their management.

The industrial growth of a country is guided and regulated through its industrial policies. Let's understand the journey of various industrial policies

I. Industrial Policy of 1948

The first industrial policy after independence was announced on 6th April 1948. It was presented by Dr.Shyama Prasad Mukherjee then Industry Minister. The main goal of this policy was to accelerate the industrial development by introducing a mixed economy where the private and public sector was accepted as important in the development of the economy. It saw the Indian economy in socialistic patterns. The large industries were classified into four categories:

- **Industries with exclusive State Monopoly/Strategic industries:** It included industries engaged in the activity of atomic energy, railways and arms, and ammunition.
- **Industries with Government control:** This category included industries of national importance. 18 such categories were mentioned in this category such as fertilizers, heavy machinery, defense equipment, heavy chemicals, etc.
- **Industries with Mixed sector:** This category included industries that were allowed to operate independently in the private or public sector. The government was allowed to review the situation to acquire any existing private undertaking.

- **Industry in the Private sector:** Industries which were not mentioned in the above categories fall into this category. High importance was granted to small businesses and small industries, leading to the utilization of local resources and creating employment.

II. Industrial Policy Resolution, 1956

This second industrial policy was announced on April 20, 1956, which replaced the policy of 1948. The features of this policy were:

- A new classification of Industries.
- Non-discriminatory and fair treatment for the private sector. Promotion of village and small-scale industries.
- To achieve development by removing regional disparity.
- Labour welfare.

The IRDA divided industries into three categories:

- **Schedule A industries:** The industries that were under the monopoly of the state or government. It included 7 industries. The private sector was also introduced in these industries if national interest required.
- **Schedule B industries:** In this category of industries, the state was allowed to establish new units but the private sector was not denied to set up or expand existing units e.g. chemical industries, fertilizer, synthetic, rubber, aluminum, etc.
- **Schedule C industries:** So the industries that were not a part of the above-mentioned industries then it formed a part of Schedule C industries.

To summarize, the policy of 1956 in which the state was given a primary role for industrial development as capital was scarce and business was not strong.

Introduction, Meaning & Importance of Business Environment

III. Indian Policy Statement, 1973

Indian Policy Statement of 1973 identified high priority industries with investment from large industrial houses and foreign companies were permitted. Large industries were permitted to start operations in rural and backward areas with a view to developing those areas and enabling the growth of small industries around. And so the basic features of Indian Policy Statement were:

- The policy was directed towards removing the distortions, it provided for closer interaction between agriculture and industrial sector.
- Priority was given towards generation and transmission of power.
- The list of industries reserved for the small-scale sector was expanded.
- Special legislation was made to protect cottage and household industries were introduced.

III. Indian Policy Statement 1977

Indian Policy Statement was announced by George Fernandes then the union industry minister of the parliament. The highlights of this policy are:

A] Target on the development of small-scale and cottage industries.

- Household and cottage industries for self-employment.
- Tiny sector investment up to 1 lakhs.
- Smallscale industries for investment up to 1-15 lakhs.

B] Large-scale sector

- *Basic industries:* infrastructure and development of small-scale and village industries.
- *Capital goods industries:* meeting the requirement of cottage industries.

- *High technological industries:* development of agriculture and smallscale industries such as petrochemicals, fertilizers and pesticides.

C] Restrict the control of big business houses.

D] Role of the public sector:

- Development of ancillary industries.
- To make available expertise in technology and management in small and cottage industries.

E] Revival and rehabilitation of sick units.

V. Industrial Policy, 1980

The Congress government announced this policy on July 23rd, 1980. The features of this policy are:

- Promotion of balanced growth.
- Extension and simplification of automatic expansion.
- Taking over industrial sick units.
- Regulation and control of unauthorized excess production capabilities installed for industrial houses.
- Redefining the role of small-scale units.
- Improving the performance of the public sector.

VI. New Industrial Policy, 1991

The features of NIP, 1991 are as follows:

- Public sector de-reservation and privatization of the public sector through disinvestment.

- Industrial licensing.
- Amendments to Monopolies and Restrictive Trade Practices (MRTP) Act, 1969.
- Liberalized Foreign Investment Policy.
- Foreign Technology Agreements (FTA).
- Dilution of protection to SSI and emphasis on competitiveness enhancement.

The all-around changes introduced in the industrial policy framework have given a new direction to the future industrialization of the country. There are encouraging trends on diverse fronts. Industrial growth was 1.7 percent in 1991-92 that has increased to 9.2 percent in 2007-08. The industrial structure is much more balanced. The impact of industrial reforms is reflected in multiple increases in investment envisaged, both domestic and foreign.

Solved Question

Question: Which industries were included in Schedule B of Industrial Policy Resolution, 1956?

Answer: Chemical industries, fertilizer, synthetic, rubber, aluminum, etc.

7 Main Objectives of India's Five Year Plan

Objective # 1. High Rate of Growth:

Increase in national income as well as per capita income, is the first and foremost aim of Indian Planning.

If per capita income has to increase in the economy, it is necessary that level of production should increase faster than the increase in population.

On looking plan-wise objectives of various plans, it is evident that the First Five Year Plan had envisaged a target of 11 per cent increase in national income while it rose to 18 per cent. The Second Plan fixed the target of 25 per cent increase in national income over the plan period but this target could not be realised.

However, national income was increased hardly at the rate of 4 per cent per annum. Again, Third Five Year Plan aimed to secure an increase in nation income of 5 per cent per annum. During the Third Plan, the national income increased by only 11.2 per cent. The Fourth Plan had visualised to attain the growth rate at 5.7 per cent per annum but it remained at 3.4 per cent annum.

The new Sixth Five Year Plan achieved growth rate of 5,2 per cent. Seventh Five Year Plan attained 5.8 per cent annual growth rate. Eighth Five Year Plan estimated the annual growth rate of 5.6 per cent. Similarly, Ninth Plan aimed at the growth rate of 7.5 per cent.

Objective # 2. Raising Investment Income Ratio:

Achieving a planned rate of investment within a given period brings the actual investment as proportion of national income to a higher level has been regarded significant. As increase in investment in the productive capacity of the country involves a corresponding increase in saving.

Objective # 3. Social Justice:

Another major objective of Indian Five Year Plans is to provide social justice to the common man and weaker section of the society. In India, vast disparities in income and wealth distribution is a common feature. Our planners have pledged to the establishment of 'democratic socialism' and 'socialistic pattern of society'.

In Second Five Year Plan, we have announced socialistic pattern of society. This fact implies raising of the standard of living of the people who happen to be below poverty line. Our planners believe in narrowing down the gap between the rich and the poor as far as distribution of income and wealth is concerned and ensuring that benefits of growth are not to be swallowed by a handful of riches.

Objective # 4. Removal of Poverty:

Upto the end of the Fourth Five Year Plan, it was felt that the benefits of development had received a raw deal to tackle the problem of poverty. In the Fifth Plan, there was a visible shift in the approach which resulted in the adoption of Minimum Needs Programme. Earlier to it, there was 20-Point Economic Programme to uplift the village community.

Objective # 5. Full Employment:

Unemployment problem is a chronic problem in underdeveloped countries. Though, India has emerged as a new developing country, yet it is in the grip of acute problem of disguised unemployment. Thus, the crucial objective of Indian Planning is the creation of conditions for attaining full employment and the elimination of unemployment, under- employment and disguised unemployment.

Objective # 6. Self-Reliance:

Another objective of Indian Plans is self- reliance. The earlier two plans could not give emphasis to it because they were formulated for rehabilitation and establishing basic and key industries in the country. Thus, in the Third Five Year Plan, for the first time, the idea of self-reliance was stated. The Fourth Plan concentrated on the goal of self- reliance in its document.

Objective # 7. Modernization:

The idea of modernization was floated in the Sixth Five Year Plan. In a common sense, it implies up-to-dating the technology. But Sixth Plan draft denotes the term modernization, a change in the structural and institutional set up of an economic activity.

A shift in the sectoral composition of production, diversification of farm activities, an advancement of technology and innovations are the part and parcel to a change from feudal system into a modern independent entity.

What is the function of NITI Aayog?

The NITI Aayog has been assigned the following functions : To undertake other activities necessary for the national development agenda. The National Governing Council of the Aayog is the apex decision-making body of the NITI Aayog.
Functions

NITI AAYOG (NATIONAL INSTITUTION FOR TRANSFORMING INDIA)

1. NITI Aayog (National Institution for Transforming India):

- **(i)** To evolve a shared vision of national development priorities sectors and strategies with the active involvement of States in the light of national objectives
- To foster cooperative federalism through structured support initiatives and mechanisms with the States on a continuous basis, recognizing that strong States make a strong nation
- To develop mechanisms to formulate credible plans at the village level and aggregate these progressively at higher levels of government
- To ensure, on areas that are specifically referred to it, that the interests of national security are incorporated in economic strategy and policy
- To pay special attention to the sections of our society that may be at risk of not benefiting adequately from economic progress
- To design strategic and long term policy and programme frameworks and initiatives, and monitor their progress and their efficacy. The lessons learnt through monitoring and feedback will be used for making innovative improvements, including necessary mid-course corrections
- To provide advice and encourage partnerships between key stakeholders and national and international like-minded Think tanks, as well as educational and policy research institutions.
- To create a knowledge, innovation and entrepreneurial support system through a collaborative community of national and international experts, practitioners and other partners.
- To offer a platform for resolution of inter-sectoral and inter departmental issues in order to accelerate the implementation of the development agenda.
- To maintain a state-of-the-art Resource Centre, be a repository of research on good governance and best practices in sustainable and equitable development as well as help their dissemination to stake-holders

- To actively monitor and evaluate the implementation of programmes and initiatives, including the identification of the needed resources so as to strengthen the probability of success and scope of delivery
- To focus on technology upgradation and capacity building for implementation of programmes and initiatives
- To undertake other activities as may be necessary in order to further the execution of the national development agenda, and the objectives mentioned above

(ii) National Institute of Labour Economics Research and Development (NILERD)

2. The NITI Aayog is the successor in interest to the Planning Commission.

India Achievement in Agriculture

Evidence of the presence of wheat and some legumes in the 6th millennium BC have been found in the Indus Valley. Oranges were cultivated in the same millennium. The crops grown in the valley around 4000 BC were typically wheat, peas, sesame seed, barley, dates and mangoes. By 3500 BC cotton growing and cotton textiles were quite advanced in the valley. By 3000 BC farming of rice had started. Other monsoon crops of importance of the time was cane sugar. By 2500 BC, rice was an important component of the staple diet in Mohenjodaro near the Arabian Sea. The Indus Plain had rich alluvial deposits which came down the Indus River in annual floods. This helped sustain farming that formed basis of the Indus Valley

India - Progress in Science & Technology

science and technology (S&T) in India is over 5,000 years old. A renaissance was witnessed in the first half of the 20th century. The S&T infrastructure has grown up from about Rs. 10 million at the time of independence in 1947 to Rs. 30 billion. Significant achievements have been made in the areas of nuclear and space science, electronics and defence. The government is committed to making S&T an integral part of the socio-economic development of the country. | | India has the third largest scientific

Advantages Of Seventh Five Year Plan

3120 Words | 13 Pages

main objectives of the Seventh Five-Year Plan were to establish growth in areas of increasing economic productivity, production of food grains, and generating employment. As an outcome of the Sixth Five-Year Plan, there had been steady growth in agriculture, controls on the rate of inflation, and favourable balance of payments which had provided a strong base for the Seventh Five-Year Plan to build on the need for further economic growth. The Seventh Plan had strived towards socialism and energy production

Agriculture Sector in India: Trends, Issues and Challenges

1961 Words | 8 Pages

Importance of Agriculture Sector in Economic Growth in India - Trends, Issues and Challenges | | | Submitted to - | Prof.RudraSensarma | | Submitted By – Ajanta Nag - EEPGM-11C-001Ashish Katariya - EPGP-04C-017Debangshu Datta - EPGP-04C-029Hari Akkavajhula - EPGP-04C-037Rajesh Solanki - EPGP-04C-076Tarun Kumar - EPGP-04C-103 | Table of Contents Introduction 2 Objective 3 Performance of agriculture sector in india 3 Government policies in agriculture sector 6 suggestions–new

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Climate Change And Agriculture On Indi Impacts And Adaptation For Sustainable Future

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CLIMATE CHANGE AND AGRICULTURE IN INDIA: IMPACTS AND ADAPTATION FOR SUSTAINABLE FUTURE Anupam Kumar Singh Department of African Studies, Faculty of Social Sciences, University of Delhi, Delhi (India). 1. Introduction India with its area of 3.28 million sq. km accounts for 2.4% of the world's land surface area and stands as the seventh largest country in the world. India is second most populous country in the world with above 1.3 billion which containing 17.5% of world population. The size and population

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Poverty and Unemployment Alleviation Programmes

Indian economic planners followed the Maxim; "Take care of economic growth, poverty will take care of itself"

A lot of benefits were given to have-notes in our five year plans. But these benefits could not reach the poor.

Following are important poverty and Unemployment Alleviation Programme:

1. Integrated Rural Development Programme (IRDP):

The Integrated Rural Development Programme (IRDP) was started in 20 selected districts in the country in 1976-77. Later on in 1980, the programme was extended to all the districts of the country. The scheme was funded by centre. The funds for the scheme are shared by centre and State Govt. on equal basis.

The objective of the scheme is to create productive assets for the families in rural areas living below poverty line. Bank Loans are provided to create productive assets to take up self-employment activities. They include agriculture horticulture, animal husbandry, poultry and weaving etc.

2. National Rural Employment Programme (NREP):

This programme was launched in 1980. The main aim of the programme was to create employment opportunities by building and maintaining community assets like village roads, ponds and wells etc. The scheme was expected to generate additional gainful employment to the extent of 30 to 40 crore man-days per annum and to develop community assets. In this programme, food grains are given for the work. NREP was merged with JawaharRozgarYogana (JRY) in 1989.

3. Rural Landless Employment Guarantee Programme (RLEGP):

This programme was started in 1983. Its main objective was to provide 100 days of assured employment in a year to rural landless labour families. They were to be employed in -j creating community assets. This scheme was sponsored by Union Govt. In 1989, this J scheme was merged in JRY.

4. Training of Rural Youth for Self-Employment (TRYSEM):

This scheme was started in 1979. The objective of the scheme was to help unemployed rural youth between the age of 18 and 35 years to acquire skills for self-employment. Priority was given to SC/ST Youth and Women. After the completion of training, credit was provided to the trained youth to set up their own business and trade 3.6 lakh youth were trained under TRYSEM in 1996-97.

5. JawaharRozgarYojana (JRY):

This scheme came into existence in April 1989. The previous schemes NREP and RLEGP were merged into this scheme. The main objective of JRY was to create additional employment for rural under-employed and unemployed.

6. Employment Assurance Scheme (EAS):

This scheme was launched in 1994 m 1752 blocks where modified public distribution system was in operation. It aims at providing 100 days work for unskilled physical workers especially in rural areas during slack agriculture season. It is a scheme to remove the seasonal unemployment. The funds for the scheme are shared by the central and states on 80:20 ratio basis. Employment is given on demand.

7. Small and Cottage Industries:

Special measures have been taken by the Government to develop small and cottage industries with a view to removing poverty and unemployment. Large amount is being spent to promote self-employment.

8. Minimum Needs Programme (MNP):

Minimum Needs Programme was launched during fifth plan to raise the standard of living of the poor. The programme covers primary education, adult education, rural health, rural water supply, rural roads, rural electrification, rural housing and ecological improvement & urban slums.

9. Indira AwasYojana (LAY):

Indira AwasYojana was started in 1985-86 to provide residential units free of cost to SC and ST and freed bonded labour. This scheme was extended to Non SC/ST Categories from 1993-94. In 1995-96 families of armed forces and paramilitary forces killed in action brought under this scheme. DRDA is the coordinating agency.

10. Million Wells Schemes (MWS):

Million wells scheme was launched on 1st January 1996. The main aim of this scheme was to increase the irrigation facilities and assist in the development of the land of the marginal farmers belonging to SC/ST castes. In 1999, this scheme was merged with SwaranJayanti Gram SwarozgarYojana.

11. Prime Minister's RozgarYojana (PMRY):

Prime Minister's RojgarYojana (PMRY) was launched in 1993. It is a self-employment scheme meant for the educated unemployed youth. It is meant for poor families having income less than Rs. 25,000 per annum. Each educated unemployed youth is eligible for a loan of Rs. 1 lakh to start a small business. 22:5% reservation is given is SC/ST candidate and 27% reservation is given to OBC 15% of total amount is given as subsidy.

12. Jawahar Gram SamridhiYojana (JGSY):

Jawahar Gram SamridhiYojana was started on 1st April 1999 to create rural infrastructure, like roads, bridges etc. The main objective was to create wage employment for the unemployed rural youth. DRDA was the co-ordinating agency. The scheme was sponsored by Centre Govt. The expenditure was shared between centre and state in the ratio of 80:20.

13. SampoomaGraminRojgarYojana (SGRY):

This scheme was started in Sept. 2001 by Prime Minister. The main objective of this scheme was to provide gainful employment & food security to villagers. Employment Assurance Scheme (EAS) and Jawahar Gram SamridhiYojana (JGSY) have been merged in this scheme because both have the same objectives. DRDA is the nodal agency for this scheme. The expenditure for this scheme is shared by the centre and state in the ratio 80:20.

14. SwarnaJayanti Gram SwarozgarYojana (SGSY):

SwarnaJayanti Gram SwarozgarYojana (SGSY) was launched on 1st April 1999. It is the single self employment programme for rural poor.

It replaces the earlier self employment programmes:

(i) Integrated Rural Development Programme (IRDP)

(ii) Training of Rural Youth for Self-Employment (TRYSEM)

(iii) Development for Women and Children in Rural Areas (DWCRA)

(iv) Supply of Improved Tool kits to Rural Artisans (SITRA)

(v) Ganga KalyanYojana (GKY)

(vi) Million Wells Scheme (MWS).

These programmes are merged in SGSY.

The main features are as follows:

(i)The objective of SGSY is to provide the opportunities of self employment to rural poor.

(ii)It aims at establishing a large number of small enterprises in rural areas.

These enterprises will cover all aspects of self-employment:

(a) Organisation of rural poor into self-help groups.

(b) Infrastructure building.

(c) Technology

(d) Credit

(e) Marketing

(iii)Persons assisted under this programme will be called Swarozgaris

(iv)Scheme will organize rural people into self help Groups (SHG). Woman must be given representation in each SHG.

(v) The programme will provide bank credit and Govt. subsidy for starting a business.

(vi) Subsidy under SGSY would be uniform

(a) For individual it would be 30% & For SC/ST it would be 50% subject to the ceiling limit of Rs. 7500 and Rs. 10,000 of project cost respectively.

(b) For SHG, subsidy would be 50% of the project cost subject to a ceiling of Rs. 1.25 lakh.

(vii) The expenditure on SGSY will be shared by the Central & State Govt. in the ratio of 75:25.

(viii) The SGSY will be implemented by DRDA through PanchayatSamiti

(ix) The progress of this scheme will be evaluated by the concerned banks.

(x) It is proposed to cover 30 percent of the rural per in each block in the next five years.

15. National Rural Employment Guarantee Scheme (NREGS):

This scheme has been launched in Feb. 2006 in 200 rural districts of the country and will be extended to 600 districts throughout India. The main objective of this scheme is to provide at least 100 days of unskilled manual work to one person from each rural family at the minimum wage fixed by the State Govt. If the manual work is not provided to beneficiary within 15 days, he will be given unemployment allowance.

16. Other Programmes:

Centre Govt. has launched other programmes of employment and poverty alleviation.

A few of these are listed below:

(i)Pradhan MantriGremodayoYojana (PMGY)

(ii)Pradhan MantriGramodayoYojana (GraminAwas)

(iii) Pradhan MantriGramodayaYojana-Rural drinking water project.

(iv) Antyodya Anna Yojana.

(v) Valmiki AmbedkarAwasYojana (VAM BAY)

What Is a Social Sector?

The term *social sector* refers to that part of social and economic activity done for the purpose of benefiting society and which is funded, in part or whole, through charitable gifts. Other common terms relating to those organizations in this sector are **nonprofit**, not-for-profit, philanthropic sector, mission-based sector, non-governmental organizations, and tax-exempt organizations. Since not all **charitable giving** goes to entities that have official tax-exempt status bestowed by a governmental entity, the term "tax exempt" is not as inclusive in its definition, as are the other terms.

Industry vs. Sector: What's the difference?

Industry vs. Sector: An Overview

Although they may seem the same, the terms industry and sector have slightly different meanings. Industry refers to a much more specific group of companies or businesses, while the term sector describes a large segment of the economy.

The terms industry and sector are often used interchangeably to describe a group of companies that operate in the same segment of the economy or share a similar business type. The term sector often refers to a larger, general part of the economy, while the word industry is much more specific.

These two terms are sometimes reversed. But the general idea remains: one breaks the economy down into a few general segments while the other further categorizes those into more specific business activities. In the stock market, the generally accepted terminology cites a sector as a broad classification and an industry as a more specific one.

KEY TAKEAWAYS

- *The term industry refers to a series of companies that operate in a similar business sphere, and its categorization is more narrow.*
- *Sector refers to a part of the economy in which a great number of companies can be categorized and is larger in comparison.*
- *Investors can easily compare companies within the same industry for investment opportunities.*
- *Stocks of companies in the same industry will usually trade in the same direction, as their fundamentals are affected by market factors in the same way.*
- *There are four different sectors in the economy: primary, secondary, tertiary, and quaternary.*

Industry

Industry refers to a specific group of companies that operate in a similar business sphere. Essentially, industries are created by breaking down sectors into more defined groupings. Therefore, these companies are divided into more specific groups than sectors. Each of the dozen or so sectors will have a varying number of industries, but it can be in the hundreds.

Sector

A sector is one of a few general segments in the economy within which a large group of companies can be categorized. An economy can be broken down into about a dozen sectors, which can describe nearly all of the business activity in that economy. Economists can conduct a deeper analysis of the economy by looking at each individual sector.

There are four different sectors in an economy:

- **Primary Sector:** This sector deals with the extraction and harvesting of natural resources such as agriculture and mining.
- **Secondary Sector:** This sector comprises construction, manufacturing, and processing. Basically, this sector comprises industries that relate to the production of finished goods from raw materials.
- **Tertiary Sector:** Retailers, entertainment, and financial companies make up this sector. These companies provide services to consumers.
- **Quaternary Sector:** The final sector deals with knowledge or intellectual pursuits including research and development (R&D), business, consulting services, and education.

Special Considerations

When evaluating companies, it is most prudent to evaluate companies within an industry as opposed to companies within a sector. This is so, because as noted above, each sector can be broken down into different industries. For example, the airline sector will include companies that build planes, such as Boeing and Airbus, airline companies that actually operate the planes and move customers from one destination to another, food companies that are focused on providing the onboard meals, and so on.

Economic Reforms in India (Second Generation)

Contents:

1. Subject-Matter of Second Generation of Economic Reforms:

In order to consolidate its attempts towards further economic reforms. India is now committed to undertake second generation of economic reforms so as to realise its benefits within definite time frame. On November 27, 2001, the then Prime Minister Mr. A.B. Vajpayee constituted a Cabinet Committee on Economic Reforms under him to try to accelerate second generation of economic reforms.

> Members of this high-power committee includesâ€”Home Minister, Finance Minister and Commerce Minister, Other members of the Committee includes Minister of Law. Rural Development, Disinvestment and Agriculture and also Deputy Chairman of the Planning Commission. This is the first time a cabinet committee of this type has been constituted by the government.

The decision to constitute such a committee was taken after a meeting of the Prime Minister's Economic Advisory Council in September 2001. The council headed by the Prime Minister considered ways to give a push to the economy. The main functions of the committee include over-seeing, directing and facilitating policy and institutional reforms.

Second generation of economic reforms in the country gave special stress on fiscal reforms, financial reforms, structural reforms, labour law reforms etc. Major fiscal reforms have been undertaken for broadening the income tax base and streamlining the excise and customs duty structures.

Implement of New Growth Strategy:

In his budget speech 2000-01, the then Finance Minister Yashwant Sinha clearly stated that the Government wants to carry forward the process of introducing and implementing the Second Generation Reforms at the earliest.

Commenting on philosophy of Second Generation Reforms Mr. Sinha observed, "Growth is not just an end in itself. It is critical vehicle for increasing employment and raisin-g the living standards of our people, especially of the poorest.

Sustained, broad based growth, combined with all our programmes for accelerating rural development, building roads, promoting housing, boosting knowledge based industries and enhancing the quality of human resources, will impart strong impetus to employment expansion. There can be no better cure for poverty than this in our country.”

In order to implement the new growth strategy the then Finance Minister identified the following new objectives for attaining required growth:

(i) To strengthen the foundations of growth of the rural economy of our country, especially agriculture and allied activities.

(ii) To nurture the revolutionary potential of the new knowledge based industries viz., InfoTech, biotechnology and pharmaceuticals.

(iii) To strengthen and modernize the country’s various traditional industries like textiles, leather, agro- processing and the SSI sector.

(iv) To accord highest priority on human resource development and other social sector programmes and policies related to education, health and other social services giving special emphasis on the poorest and weaker sections of the society.

(v) To mount sustained attack on infrastructure bottlenecks in power, roads, railways, airways, ports and telecom.

(vi) To strengthen our role in the world economy through rapid growth of exports, enhancing higher foreign investment and arranging prudent external debt management.

(vii) To establish a credible framework on fiscal discipline.

It is agreed by everybody that the “First Generation Reforms” initiated in 1991 were mostly crisis- driven. After continuing such reforms for a decade, people and experts are now advocating to bring certain changes in its strategy and are taking about the introduction of “Second Generation Reforms”.

The budget for the year 2001-02 had laid out a comprehensive agenda for the Second Generation of Economic Reforms.

Accordingly, the budget outlined the following broad strategies:

1. Speed up agricultural sector reforms and better management of food economy.

2. Intensify infrastructure investment, continued reform of the financial sector and capital markets and deepening of structural reforms through removal of remaining tiresome control constraining economic activity.

3. Attain human development through better educational opportunities and programmes of social security.

4. Impose stringent expenditure control on non-productive expenditure, rationalisation of subsidies and improvement in the quality of Government expenditure.

5. Accelerate privatisation process and restructuring of public enterprises.

6. Enhance revenue through widening of tax base and administration of a fair and equitable tax regime.

Again the budget for the year 2002-03 also aimed to consolidate and implement these policies at all levels.

The budget proposed to take this process further at State level through a strategy of reform which includes the following:

1. Continue the emphasis on agriculture and food economy reforms.

2. Enhance public and private investment in infrastructure.

3. Strengthen the financial sector and capital markets.

4. Deepen structural reforms and regenerate industrial growth.

5. Provide social security to the poor.

6. Consolidate tax reforms and continue fiscal adjustment at both Central and State levels.

During the first decade of our economic reforms, the country has experienced a moderately higher growth rate ranging between 6 to 7 per cent, build up a foreign exchange reserves to the extent of $ 51.05 billion in 2001-02; managed its external debt to the tune of US $ 100.4 billion in 2001, improved its export-import ratio to 87 per cent, contained the wholesale price index to the tune of 3.5 per cent and finally could marginally reduce the fiscal deficit from 6.6'per cent of GDP in 1990-91 to 5.7 per cent in 2001-02.

Thus the economic reforms have been able to stabilise the fundamentals of the economy and could shift the gear of the economy from crisis-driven economic reforms to development-driven one.

Keeping this trend in mind, the then Finance Minister in his budget (2000-01) speech observed, **"I propose to put India on a sustained, equitable and job-creating growth path of 7 to 8 per cent per year in order to banish the scourge of poverty from our land within a decade. The next 10 years will be India's decade of development."**

Thus during the first phase of our economic reforms, industrial sector got the priority, neglecting the potential of the agriculture sector. In this connection, Mr. A. Saith observed, "India is considered to be a good performer," but the **"industrial primacy strategy has failed to generate employment, the relative neglect of agriculture has further reduced the labour absorptive capacity of the economy, especially when compared to the rate of expansion of the population at working stage."**

Globalisation and The Indian Economy

Imagine a small village market where all are free to come and sell their products at whatever price they desire. There are no limitations on control of their products or the prices. This is a globalised trade. Anyone, in general context referring to any country, that can participate to set up, acquire, merge industries, invest in equity and shares, sell their products and services in India. But how does globalisation work? What are its effects on the Indian economy? Let us study in-depth about it below.

India was one of the prime nations which gained immensely post the introduction & implementation of globalization. The rise of foreign investment in the retail, corporate and scientific sectors is very much evident in the nation. For further learning about globalization and India, it is crucial to get familiar with the prime concept, that is, globalization.

What is Globalization?

Globalization is the free movement of people, goods, and services across boundaries. This movement is managed in a unified and integrated manner. Further, it can be seen as a scheme to open the global economy as well as the associated growth in trade (global). Hence, when the countries that were previously shut to foreign investment and trade have now burned down barriers.

Indian Economy Reacts to Globalization

When we talk about **globalization and the Indian economy**, one name strikes our mind, that is, Dr. Manmohan Singh. He was the finance minister in the 1990s when globalization was fully implemented and experienced in India. He was the front man who framed the economic liberalization proposal. Since then, the nation has gradually moved ahead to become one of the supreme economic leaders in the world.

Below mentioned are some of the quick reactions which were felt after the introduction of globalization:

- After 1991, the rise in GDP that dropped to 13% in 1991 -92 extended momentum in the following five years (1992-2001). Moreover, the annual average rate of growth in GDP was recorded to be 6.1%.
- Furthermore, export growth skyrocketed to 20% in 1993-94. For 1994-95, the figures were recorded to be 18.4 per cent. Export growth statistics in recent years have been very impressive.

Benefits of Globalization Impacting India

Rise in Employment: With the opening of SEZs or Special Economic Zones, the availability of new jobs has been quite effective. Furthermore, Export Processing Zones or EPZs are also established employing thousands of people. Another factor is cheap labour in India. This has motivated big firms in the west to outsource work to companies present in this region. All these factors are causing more employment.

Surge in Compensation: After the outburst of globalization, the compensation levels have stayed higher. These figures are impressive as compared to what domestic companies might have presented. Why? The level of knowledge and skill brought by foreign companies is obviously advanced. This has ultimately resulted in modification of the management structure.

Improved Standard of Living and Better Purchasing Power: Wealth generation across Indian cities has enhanced since globalization has fully hit the nation. You can notice an improvement in the purchasing power for individuals, especially those working under foreign organizations. Further, domestic organizations are motivated to present higher rewards to their employees. Therefore, a number of cities are experiencing better standards of living together with business development.

Disadvantages of Globalization in India

If we are discussing **globalization and the Indian economy**, then talking about the negative effects is also important. The informal sector is purposely not listed in the labor legislation. For example, informal workers aren't the subject considering the 1948 Factories Act. This scheme covers vital factors such as common working conditions, safety, and health, the ban on child labor, working hours etc. Also, globalization has caused poor health, disgraceful working conditions, as well as bondage, happening in different parts of the country.

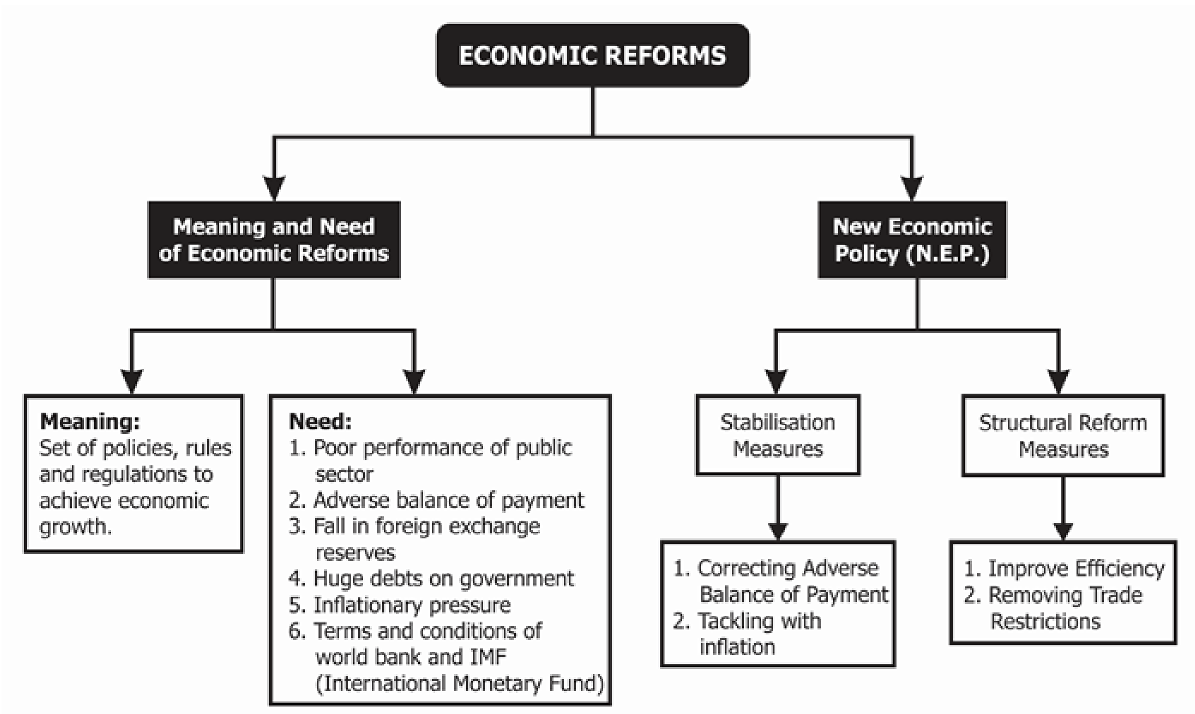
The top five types of globalization are,

1. Financial globalization.
2. Economic Globalization.
3. Technological Globalization.
4. Political Globalization.
5. Cultural Globalization.

Meaning of Economic Reforms

Economic Reforms refer to the fundamental changes that were launched in 1991 with the plan of liberalising the economy and for quickening its rate of economic growth. The Narasimha Rao Government, in 1991, started the economic reforms in order to rebuild internal and external faith in the Indian economy.

The reforms intended at bringing in larger cooperation of the private sector in the growth method of the Indian economy. Policy changes were proposed with regard to technology up-gradation, industrial licensing, removal of restrictions on the private sector, foreign investments and foreign trade. The essential features of the economic reforms are – Liberalisation, Privatisation and Globalisation, commonly known as LPG.



Nee

d for Economic Reforms

- Poor Performance of the Industrial Sector
- Adverse Balance of Payments
- Rise in Fiscal Deficit
- Inflation
- The Gulf War

Examples of Economic Reforms

- Liberalisation
- Privatisation
- Globalisation

Why were Economic reforms introduced in India?

Economic reforms were introduced in India because of the following reasons:

Poor performance of the public sector

- Public sector was given a role important in development policies during 1951-1990.
- However the performance of the majority of public enterprises was disappointing.
- They were incurring huge losses because of inefficient management.

Adverse BoPOr Imports exceeded exports

- Imports grew at a very high rate without matching the growth of exports.
- Government could not restrict imports even after imposing heavy tariffs and fixing quotas.
- On the other hand, Exports was very less due to the low quality and high prices of our goods as compared to foreign goods.

Fall in foreign exchange reserves

- Foreign exchange (foreign currencies) reserves, which government generally maintains to import petrol and other important items, dropped to levels that were not sufficient for even a fortnight.
- The government was not able to repay its borrowings from abroad.

Huge debts on government

- Government expenditure on various developmental works was more than its revenue from taxation etc.
- As a result, the government borrowed money from banks, public and international financial institutions like IMF etc.

Inflationary pressure

- There was a consistent rise in the general price level of essential goods in the economy.
- To control inflation, a new set of policies were required.

Terms and conditions of world bank and IMF

- India received financial help of $7 billion from the World Bank and IMF on an agreement to announce its New

  Economic**Impact of economic reforms**

1. 1. Presented By:
2. 2. Definition: • Economic reforms denote the process in which a government prescribes declining role for state and expanding role for the private sector in an economy. • “Reform is not the aim of economy, Reforming the economy is the aim”. Reform is an means towards the end .
3. 3. • High fiscal deficit more than 8% • Acute situation of BOP • Low forex reserve • Gulf war and hike in oil price • Poor performance of public sector
4. 4. LPG stands for L-Liberalisation P-Privatisation G-Globalisation These 3 process specify the characterstics of economic reforms initiated in 1991. They are regarded as direction,path and ultimate goal of the reform.
5. 5. It is the process of decreasing traits of a state economy and increasing traits of market economy. In Indian case it is declining influence of planned economy and that of increasing for capital economy. Prior 1991, government had imposed several types of controls on Indian economy e.g. industrial licensing system, price control or financial control on goods, import license, foreign exchange control, restriction on investment by big business houses, etc. These controls leads to fall in economy growth Setting the direction

6. 6. Moving through the path • In narrow sense it refers to introduction of private ownership in publicly owned enterprise.While in broder sense it implies private ownership,induction of private management and control in the private sector enterprise. • The first major programme of privatisation was adopted in U.K. by the conservative government of Margaret Thatcher during 1980s. • It covers 3 sets of measures: 1. Ownership: joint venture, liquidation, management bye-out, complete handover 2. Organizational:leasing,holding a company structure, restructuring 3. Operational : autonomy in decision making,development of investment criteria,freedom in rising fund from capital

7. 7. Reaching the ultimate goal • It is the process of integrating various economies of the world without creating any hinerances in the free flow of goods,services,technology,capital as well. • The term become more familiar after WTO emerged by Marrakesh agreement of Uruguay round of negotiation 1994.

8. 8. Economic reforms were initiated by Congress led government of Sri P V Narashimha Rao 2 kind of reforms were being launched. Such as : 1. Macroeconomic stabilization measure i.e increase aggregate demand and provide gainful and quality employment opportunities 2. Structural reform measures i.e policy reforms initiated by government to boost the aggregate supply of goods and services in the economy. Some of the measures was taken for obligation to IMF. Such as a. Devaluation of rupee by 22% b. Reduction in the tariff upto 30% c. Excise duty to be hiked by 20% d. Annual reduction of all government expenditure by 10%

9. 9. Industrial Policy Reforms: Introduction of Industrial policy 1991 fostered competition by a. abolishing monopoly restrictions, b. Terminating the phased Manufacturing programmes c. Freeing foreign direct investment and import of foreign technology d. De-reservation of sectors hitherto reserved for the public sector. At present, only five industries are under licensing, mainly on account of environmental, health, safety and strategic considerations. Only two industries are reserved for the public sector, viz, atomic energy and railway transport. Foreign Direct Investment (FDI) up to 100 per cent is allowed under the automatic route in most sectors, with a few exceptions

10. 10. Trade Reforms: • Withdrawal of the quantitative restrictions on exports and imports Quantitative restrictions on imports of manufactured consumer goods and agricultural products were removed on April 1, 2001, almost exactly ten years after the reforms began • phasing out of the system of import licensing Import licensing was abolished relatively early for capital goods and intermediates which became freely importable in 1993, • lowering the level and dispersion of nominal tariffs The peak customs tariff rate was progressively brought down from 150 per cent in 1991-92 to 10 per cent by 2008-09. • The liberalization of restrictions on various external transactions led to current account convertibility under Article VIII of the Articles of Agreement of the IMF in 1994 • Later on ,The capital account made virtually free for non-residents and resident corporates with some restrictions on financial institutions and higher restrictions on resident individuals.

11. 11. Fiscal sector Reforms: • Tax reforms : such as lowering of tax rates, broadening the tax base and so on. As a result, The combined fiscal deficit of the central and state governments was successfully reduced from 9.4 percent of GDP in 1990-91 to 7 percent in both 1991-92 and 1992-93 and the balance of payments crisis was over by 1993. • Introducing CENVAT,VAT,GST for collection of more revenue. • restructuring of public sector: reduce central government subsidies ,increase public saving • introduction of the Fiscal Responsibility and Budget Management Act (FRBM) in 2004 Monetary policy Reforms: • elimination of automatic monetization from April 1997, which provided instrument independence to the Reserve Bank of India in the conduct of monetary policy. • reduction of statutory pre-emption of the lendable resource of banks • interest rate deregulation • RBI switched from a monetary targeting framework, adopted in the mid-1980s, to a multiple indicator approach • Following Basel norms . After completing norm I & II, Now RBI has set to follow norm III

12. 12. Finance sector Reforms: The development of financial markets has been regarded as a critical prerequisite for improving the operational effectiveness of the transmission of monetary policy • measures for liberalization, like dismantling the complex system of interest rate controls, eliminating prior approval of the Reserve Bank of India for large loans reducing the statutory requirements to invest in government securities; • measures designed to increase financial soundness, like introducing capital adequacy requirements and other prudential norms for banks and strengthening banking supervision • measures for increasing competition like more liberal licensing of private banks and freer expansion by foreign banks • Insurance Regulation and Development Authority (IRDA) has been formed to govern the insurance industry. • The Securities and Exchange Board of India was formed as the capital market regulator & NSE as a new modern technology oriented stock exchange was formed (the National Stock Exchange • private sector mutual funds allowed and encouraged; along with the abolition of the Controller of Capital Issues (CCI) who controlled both issuance of securities and administered their price.

13. 13. • Sharp correction in fiscal deficit-GDP ratio and reduced monetisation of deficits . • New industrial policy fostered competition • Real GDP growth averaged 5.7 per cent per annum in the 1990s, which accelerated further to 7.3 per cent per annum in 2000s. • There is gain in the share of services, including construction, from 52 per cent to 65 per cent during the period 1990s to 2010-11. • Exports and imports of goods and services have more than doubled from 23 per cent of GDP in the 1990s to 50 per cent in the recent period of 2009-11. • Debt-GDP ratio has declined from 29% to 18.6%. & Debt-service ratio fell to 24.9% to 4.7% for the period of 1991-00 to 2009-11. • The high growth was achieved in an environment of price stability as headline WPI inflation dropped to an annual average of 5.5 per cent in the 2000s from 8.1 per cent to the 1990s. Positive impact:

14. 14. • Agriculture as a percentage of real GDP declined from 3.2% to 2.4%. There is a need to increase agricultural productivity. • Failed to address labour market inflexibity and there by increasing concentration of labour force in agricultural sector hence high unemployment. • It could not attract sufficient investment in Infrastructure. • Credit market has still remain an important issue. Negative impact:

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Effects on Different Sectors of Indian Economy

Agriculture and Food Processing

It was expected that all the major sectors of the economy will take a hit due to the pandemic. But the agriculture and allied activities sector is likely to be adversely hit by the pandemic. The poultry sector which is the fastest growing sub-sector of the Indian agriculture eco-system and where India has created a foothold at the global level (India is the third-largest producer of eggs and fifth largest producer of broilers) is already facing losses to the tune of 150-200 crore each day. Social media has been spreading rumors by correlating COVID-19 infection to the consumption of meat and poultry products. This has caused enormous destruction in demand for poultry products and the prices realized by farmers have crashed to Rs 10-15 per kg – whilst the production cost of about Rs 70 – 80 per kg (2).

Capital Markets

In the present scenario, there is a need to ensure a steady flow of funds to the industry through the primary markets and therefore certain rules are needed to be changed to make this easier. Some additional measures are also required to decrease instability in the market.

Pharmaceuticals

China accounts for 70% of India's active pharmaceutical ingredients (APIs) (3). The active pharmaceutical ingredients (APIs) are essential for any country for pharmaceutical manufacturing countries. As COVID-19 cases in India increased to 101K, medicines are going to be increasing in demand since there are not enough APIs to manufacture and therefore the market will witness all-time high prices. (4)

Tourism

There is a great scope for India on cultural and historical tourism which attracts domestic and foreign nationals throughout the year. As a result, a large number of COVID-19 cases are foreign tourists. The matter of concern here is that since visas are being suspended and tourist attractions are shut down for an indefinite period, the whole tourism industry took a great hit. There is a great loss on the part of attractions, restaurants, agents and operators, and hotels. It is expected that the pandemic could end up crippling the tourism industry for the near foreseeable future.

Aviation

Ever since the Indian government suspended the domestic and international flights, the Aviation Industry is suffering a daily loss of Rs. 75-90 crore and the Indian aviation industry will require additional funding of Rs 325-Rs350 billion over FY 2021-2013 according to rating agency ICRA limited. (5) In short, the aviation industry is undergoing severe losses since the flight operations were canceled. The pandemic has affected the industry that it will need either a government package or has to levy additional charges on the passengers to be back on the track.

E-commerce

Ever since the pandemic struck our country, the government has issued several advisories related to social distancing and to avoid leaving home for unnecessary purposes. It led to organizations asking their employees to work from home. Moreover, the lockdown has made things worse because it led to an increase in demand as people were asked to refrain from leaving homes, especially in red and orange zones. But since there was a complete lockdown, the E-commerce websites were not able to deliver the goods. This resulted in a loss to both consumers and corporations.

Education

With the announcement of a nationwide lockdown, schools and colleges were also closed in March. March is crucial as many of the board exams and college exams were scheduled in March and April. Moreover, in many institutions, the syllabus is also not complete. Although online remedial classes are being provided in the majority of the institutions, students are worried about the exams.

Real Estate and Construction

The year 2019 was difficult for the real estate sector as it suffers to struggle with funding crises amid NBFC and banking sectors. Moreover, the economic slowdown has further exacerbated the sufferings resulting in poor housing demand.

On the other hand, there has been a mass exodus of migrant workers ever since the government has announced lockdown. Since there was no source of income left for the workers to sustain their daily needs, they were left to be dependent on the government for food and other necessities. But the fear of pandemic has forced them to go back to their homes from large cities like Delhi and Mumbai. With railways, roadways and airways came to a standstill, they were forced to walk down to their homes with some of them living as far as 1000 kilometers. This led to a huge crisis and also the uncertainty of their return.

Hence, the pandemic has hit almost every sector of the economy in India and the recovering process is difficult at such times. Not only India but the whole world is facing such an economic crisis and for coping up with the pandemic loss the organizations which have the responsibility to balance the economy in such adverse conditions are taking steps to give a helping hand to the countries falling apart economically at the global or international level.

Global Economy Effects

The threat hovering the world currently is now not only taking down the life of people but also the economies of the countries affected by this COVID-19. The pandemic is hazardous to the economic structures around the world and making them falling off the cliff as the citizens around the world are under lockdown and for there safety people are forced to keep their business closed, which leads to shut of economic activities and the liquidity is seizing in the market, which makes it difficult to even handle and normalize the effects around as the outbreak has disturbed the whole of each part affected.

The topmost economies are being dragged to slump such as America, China, Japan, UK, France, Italy, etc. Even declarations from the IMF (International Monetary Fund) show that as earlier before COVID-19 IMF expected this year the economy globally would grow 3.3% at a slow pace but now the global economy is expected to fall by 3% in 2020 (6) which will be the steepest fall down of economies since the great depression of the 1930s.

9 Main Causes of Regional Imbalances in India

Regional Imbalances: Cause # 1.
Historical Factor:
Historically, regional imbalances in India started from its British regime. The British rulers as well as industrialists started to develop only those earmarked regions of the country which as per their own interest were possessing rich potential for prosperous manufacturing and trading activities.

British industrialists mostly preferred to concentrate their activities in two states like West Bengal and Maharashtra and more particularly to three metropolitan cities like Kolkata, Mumbai and Chennai. They concentrated all their industries in and around these cities neglecting the rest of the country to remain backward.

The land policy followed by the British frustrated the farmers to the maximum extent and also led to the growth of privileged class like zamindars and money lenders for the exploitation of the poor farmers. In the absence of proper land reform measures and proper industrial policy, the country could not attain economic growth to a satisfactory level.

The uneven pattern of investment in industry as well as in economic overheads like transport and communication facilities, irrigation and power made by the British had resulted uneven growth of some areas, keeping the other areas totally neglected.

Regional Imbalances: Cause # 2.
Geographical Factors:
Geographical factors play an important role in the developmental activities of a developing economy. The difficult terrain surrounded by hills, rivers and dense forests leads to increase in the cost of administration, cost of developmental projects, besides making mobilisation of resources particularly difficult.

Most of the Himalayan states of India, i.e., Himachal Pradesh, Northern Kashmir, the hill districts of Uttar Pradesh and Bihar, Arunachal Pradesh and other North-Eastern states, remained mostly backward due to its inaccessibility and other inherent difficulties.

Adverse climate and proneness to flood are also responsible factors for poor rate of economic development of different regions of the country as reflected by low agricultural productivity and lack of industrialisation. Thus these natural factors have resulted uneven growth of different regions of India.

Regional Imbalances: Cause # 3.

Locational Advantages:

Locational advantages are playing an important role in determining the development strategy of a region. Due to some locational advantages, some regions are getting special favour in respect of site selections of various developmental projects.

While determining the location of iron and steel projects or refineries or any heavy industrial project, some technical factors included in the locational advantage are getting special considerations. Thus regional imbalances arise due to such locational advantages attached to some regions and the locational disadvantages attached to some other backward regions.

Regional Imbalances: Cause # 4.

Inadequacy of Economic Overheads:

Economic overheads like transport and communication facilities, power, technology, banking and insurance etc. are considered very important for the development of a particular region.

Due to adequacy of such economic overheads, some regions are getting a special favour in respect of settlement of some developmental projects whereas due to inadequacy of such economic overheads, some regions of the country, viz., North-Eastern Region, Himachal Pradesh, Bihar etc. remained much backward as compared to other developed regions of the country.

Moreover, new investment in the private sector has a general tendency to concentrate much on those regions having basic infrastructural facilities.

Regional Imbalances: Cause # 5.

Failure of Planning Mechanism:

Although balanced growth has been accepted as one of the major objectives of economic planning in India, since the Second Plan onwards but it did not make much headway in achieving this object. Rather, in real sense, planning mechanisms has enlarged the disparity between the developed states and less developed states of the country.

In respect of allocating plan outlay relatively developed states get much favour than less developed states.

From First Plan to the Seventh Plan, Punjab and Haryana have received the highest per capita plan outlay, all along. The other three states like Gujarat, Maharashtra and

Madhya Pradesh have also received larger allocation of plan outlays in almost all the five year plans.

On the other hand, the backward states like Bihar, Assam, Orissa, Uttar Pradesh and Rajasthan have been receiving the smallest allocation of per capita plan outlay in almost all the plans.

Due to such divergent trend, imbalance between the different states in India has been continuously widening, inspite of framing achievement of regional balance as one of the important objectives of economic planning in the country.

Regional Imbalances: Cause # 6.
Marginalisation of the Impact of Green Revolution to Certain Regions:
In India, the green revolution has improved the agricultural sector to a considerable extent through the adoption of new agricultural strategy. But unfortunately the benefit of such new agricultural strategy has been marginalised to certain definite regions keeping the other regions totally untouched.

The Government has concentrated this new strategy to the heavily irrigated areas with the idea to use the scarce resources in the most productive manner and to maximise the production of foodgrains so as to solve the problem of food crisis.

Thus the benefit of green revolution is very much restricted to the states like Punjab, Haryana and plain districts of Uttar Pradesh leaving the other states totally in the dark about the adoption of new agricultural strategy.

This has made the well-off farmers much better off, whereas the dry land farmers and non-farming rural population remained totally untouched. Thus in this way new agricultural strategy has aggravated regional imbalances due to its lack of all-embracing approach.

Lack of Growth of Ancillary Industries in Backward States:
The Government of India has been following a decentralised approach for the development of backward regions through its investment programmes on public sector industrial enterprises located in backward areas like Rourkela, Barauni, Bhilai, Bongaigaon etc. But due to lack of growth of ancillary industries in these areas, all these areas remained backward in spite of huge investment made by the Centre.

Regional Imbalances: Cause # 8.
Lack of Motivation on the part of Backward States:

Growing regional imbalance in India has also been resulted from lack of motivation on the part of the backward states for industrial development. While the developed states like Maharashtra, Punjab, Haryana, Gujarat, Tamil Nadu etc. are trying to attain further industrial development, but the backward states have been showing their interest on political intrigues and manipulations instead of industrial development.

Regional Imbalances: Cause # 9.

Political Instability:

Another important factor responsible for regional imbalance is the political instability prevailing in the backward regions of the country. Political instability in the form of unstable government, extremist violence, law and order problem etc. have been obstructing the flow of investments into these backward regions besides making flight of capital from these backward states.

Thus this political instability prevailing in same backward regions of the country are standing as a hurdle in the path of economic development of these regions.

Causes of rural-urban migration

1. **Employment opportunities**. One of the major reasons why the youth migrate from rural areas to urban areas is simply because they are not finding employment opportunities in the rural areas they find themselves in. They want to come to the big towns and cities where they can have access to the numerous white-collar and manual jobs that are found in the urban areas. Lack of employment opportunities in the rural areas is the reason why since time immemorial rural-urban migration has existed and will continue to exist. A university graduate, for example, is going to find it very difficult staying in a rural area because there will be very few opportunities for him – especially when it comes to getting a good and well-paying job. His best bet of getting a job is to move to an urban area such as a big town or a city where there are more job opportunities for him.
2. **Education**. Education is another reason for rural-urban migration of people. There are more schools, colleges, and universities in urban areas than there are in rural areas. Therefore a person who wants to better his education, the city will be a better option for that person than a village or a very small town. There are so many good educational opportunities in the cities. In so many developing countries, for example, majority of the best schools are found in the urban areas. Places such as small towns and villages rarely have good schools. Some of these places cannot even boast of a school. In West African countries, over 95% of tertiary institutes can be found in urban areas. In this same region, all good universities and polytechnics are located in urban areas. This means that in order for one to be able to attend a good university or college one has to migrate from a rural area to an urban area. And when the person completes his or her education, the person doesn't feel inclined to move back to the village because there are no job opportunities there for him or her.
3. **Modern infrastructure facilities**. In many rural areas around the world – especially in developing countries there are not too many modern infrastructure facilities such as good entertainment centers, parks, electricity, potable water supply, etc. In many developing countries many rural areas do not even have electricity or good water supply. Such things can only be found in the urban areas in these countries. It therefore goes

without saying that in the absence of these important facilities, the rural youth are inclined to migrate to urban areas where they can enjoy these modern infrastructure facilities.

4. **The search for adventure**. Another very common reason that makes many young people travel from their villages to major cities within the country is because of adventure. Many of these folks find rural life to be very uninteresting and boring. They have heard of interesting and adventurous stories of the city life so they naturally feel inclined to go to these urban areas to experience the adventures. And when they get to these urban areas, their chances of returning back to the dull and quiet life of the village is very slim.
5. **Fleeing from negative and outmoded cultural practices**. This is very common in many developing countries in Africa, South America and Asia. In some of these places, young girls and boys who want to escape being the victims of certain outmoded and barbaric cultural practices flee their villages and towns to the big cities where these outmoded cultural practices are not practiced. And when they get to the big cities, they feel highly reluctant to go back to their villages again. Some of these outmoded cultural practices include things such as early or forced marriages, puberty rites, female genital mutilation, witchcraft, slavery, human sacrifice etc. In northern Ghana, for example, young girls in an attempt to escape being victims of early and forced marriages being imposed on them flee their villages and go to the cities where such backward cultural practices cannot be imposed on them.
6. **Quest for money and fortune**. There is no doubt that cities are where the majority of a nation's wealth is located. Cities are well-known to be places synonymous with money, opportunities and great wealth. This is a fact that everyone is aware of. And the village or rural dwellers are also aware of this fact. Many rural dwellers that are searching for wealth and fortune see the cities as the best place to achieve their dreams of getting rich. In the cities, the village or rural dweller has a higher chance of making that fortune that he or she is looking for – whether through legal or illegal means.
7. **Life is more enjoyable in the cities**. There is no doubt that life tends to be more enjoyable in the cities than in the villages. Take, for example, your favorite musicians and bands. The likelihood of a famous musician or band

performing in your village is very very low. Cities abound with various forms of entertainment and social activities that make living there very pleasurable. Of course the rural dwellers know of this and come to the city for their fair share of fun.

8. **For the best of health care**. Many village or rural dwellers migrate from their villages to urban areas in order to get the best of health care. This is more common in developing countries where the best hospitals, clinics and doctors are located in the urban areas. In many villages in developing countries, clinics, hospitals and qualified doctors can be very rare. This makes many village dwellers to want to move to urban areas where their health needs can easily be catered for.
9. **Better housing**. Another reason that rural dwellers migrate with their families to the urban areas is because of their quest for better housing and accommodation which can sometimes prove pretty difficult to get in rural areas.
10. **The notion that the streets of the cities are paved with gold**. Many rural dwellers are of the notion that the streets of the cities are paved with gold. Therefore in their attempt to escape the harsh economic hardship facing them in their villages and improve their standard of living, they make the trip to the urban areas where they hope to find some greener pastures. But like the popular saying, not all that glitters is gold, more often than not these people are disillusioned when they get to the cities. They find out that things are not really as they expected them to be. When things happen this way, they get confused and stranded not knowing how to go back to their villages. As a result of this, many end up living in very deplorable conditions in slums and on the streets of the cities never finding the gold they hoped to find.

While there might be other causes of rural-urban migration, the above are the most common reasons why people leave rural areas for urban areas.

- **TAGS**
- **causes of rural-urban migration**

SHARE

Energy, in physics, the capacity for doing work. It may exist in potential, kinetic, thermal, electrical, chemical, nuclear, or other various forms. There are, moreover, heat and work—i.e., energy in the process of transfer from one body to another. After it has been transferred, energy is always designated according to its nature. Hence, heat transferred may become thermal energy, while work done may manifest itself in the form of mechanical energy.

Mechanical Energy
Mechanical energy is energy that results from movement or the location of an object. Mechanical energy is the sum of kinetic energy and potential energy.
Examples: An object possessing mechanical energy has both kinetic and potential energy, although the energy of one of the forms may be equal to zero. A moving car has kinetic energy. If you move the car up a mountain, it has kinetic and potential energy. A book sitting on a table has potential energy.
Thermal Energy
Thermal energy or heat energy reflects the temperature difference between two systems.
Example: A cup of hot coffee has thermal energy. You generate heat and have thermal energy with respect to your environment.
Nuclear Energy

Nuclear energy is energy resulting from changes in the atomic nuclei or from nuclear reactions.

Example: Nuclear fission, nuclear fusion, and nuclear decay are examples of nuclear energy. An atomic detonation or power from a nuclear plant are specific examples of this type of energy.
Chemical Energy
Chemical energy results from chemical reactions between atoms or molecules. There are different types of chemical energy, such as electrochemical energy and chemiluminescence.
Example: A good example of chemical energy is an electrochemical cell or battery.
Electromagnetic Energy

Electromagnetic energy (or radiant energy) is energy from light or electromagnetic waves.

Example: Any form of light has electromagnetic energy, including parts of the spectrum we can't see. Radio, gamma rays, x-rays, microwaves, and ultraviolet light are some examples of electromagnetic energy.
Sonic Energy

Sonic energy is the energy of sound waves. Sound waves travel through the air or another medium.

Example: A sonic boom, a song played on a stereo, your voice.
Gravitational Energy
Energy associated with gravity involves the attraction between two objects based on their mass. It can serve as a basis for mechanical energy, such as the potential energy

of an object placed on a shelf or the kinetic energy of the Moon in orbit around the Earth.

Example: Gravitational energy holds the atmosphere to the Earth.

Kinetic Energy

Kinetic energy is the energy of motion of a body. It ranges from 0 to a positive value.

Example: An example is a child swinging on a swing. No matter whether the swing is moving forward or backward, the value of the kinetic energy is never negative.

Potential Energy

Potential energy is the energy of an object's position.

Example: When a child swinging on a swing reaches the top of the arc, she has maximum potential energy. When she is closest to the ground, her potential energy is at its minimum (0). Another example is throwing a ball into the air. At the highest point, the potential energy is greatest. As the ball rises or falls it has a combination of potential and kinetic energy.

Ionization Energy

Ionization energy is the form of energy that binds electrons to the nucleus of its atom, ion, or molecule.

Example: The first ionization energy of an atom is the energy needed to remove one electron completely. The second ionization energy is energy to remove a second electron and is greater than that required to remove the first electron.

Indian Economics Devolpment

Article Shared byNatasha Kwatiah

The following points highlight the top thirteen characteristics of the Indian economy. Some of the characteristics are: 1. Low per capita income 2. Excessive dependence of agriculture and primary producing 3. High rate of population growth 4. Existence of chronic unemployment and under-employment 5. Poor rate of capital formation and Others.

Indian Economy:

Low per capita income:

In India, the national income and per capita income is very low and it is considered as one of the basic features of underdevelopment. As per World Bank estimates, the per capita income of India stood at only $ 720 in 2005. Keeping aside a very few countries, this per capita income figure of India is the lowest in the world and it is even lower than China and Pakistan.

In 2005, the per capita income figure in Switzerland was nearly 76 times, in U.S.A. about 61 times, in Germany about 48 times and in Japan about 54 times the per capita income figure in India. Thus the standard of living of Indian people remained all along very low in comparison to that of developed countries of the world.

This disparity in the per capita income of India and other developed countries has registered a manifold increase during the last four decades (1960-2005).

Although the per capita income at official exchange rates exaggerated this disparity but after making necessary correction through purchasing power parity figures, the per capita GNP of U.S.A. was 12.0 times that of India in 2005 as against 68.0 times that of India at official exchange rates.

Even after making necessary adjustment, the per capita income differences, although narrowed down, yet remain quite significant and huge. Table 1.3 will clarify the position.

TABLE 1.3. Per Capita GNP at Market Prices *(in US dollars)*

Country	*2005 Exchange Rate Basis*	*2005 Purchasing Parity Basis*	*Average Annual Growth Rate (1985-2005) Exchange Rate Basis*
Switzerland	54,930	37,080	0.5
U.S.A.	43,740	41,950	1.3
Japan	38,980	31,410	3.2
Germany	34,580	29,210	—
UK	37,600	32,690	1.3
India	720	3,460	2.9
China	1,740	6,600	7.8

In order to convert national currency figures to the US dollars, the utilisation of official exchange rates does not allow to measure the relative domestic purchasing power of currencies. In this connection, work of LB. Kravis and others titled **"International Comparison of Real Product and Purchasing Power"** (1978) has provided some relief.

Following the aforesaid work, the United Nations International Comparison Programme (ICP) has introduced measures of real GDP on an internationally comparable scale using the system of purchasing power parities (PPPs) instead of exchange rates as factors for conversion.

Indian Economy:

Excessive dependence of agriculture and primary producing:

Indian economy is characterised by too much dependence on agriculture and thus it is primary producing. Out of the total working population of our country, a very high proportion of it is engaged in agriculture and allied activities, which contributed a large share in the national income of our country.

In 2004, nearly 58 per cent of the total working population of our country was engaged in agriculture and allied activities and was contributing about 21.0 per cent of the total national income.

In most of the countries of Asia, Middle East and Africa, from two-thirds to four-fifths of their total population are solely dependent on agriculture. In most of the developed countries like U.K., U.S.A. and Japan, the percentage of active population engaged in agriculture ranges between 1 to 5 per cent. Table 1.4 will clarify this position.

TABLE 1.4. Percentage of Active Population engaged in agriculture and Industrial Origin of GDP in 2004

Country	*Active Population engaged in Agriculture**	*Industrial origin of GDP Percentage Distribution*		
		Agriculture	*Industry*	*Services*
U.K.	1	1	26	73
U.S.A.	4	1	22	77
Japan	5	1	31	68
Thailand	45	10	44	46
Pakistan	52	22	25	53
China	47	13	46	41
India	58	21	27	52

Table 1.4 reveals that in India 58 per cent of its active population is engaged in agriculture but agriculture contributes only about 21 per cent of the national income of our country. Moreover, low agricultural productivity, lack of modernisation and lack of diversification in its output are some of the basic problems from which our agricultural sector is suffering.

Thus our agricultural sector is overburdened as the majority of our active population is depending on agriculture.

Indian Economy:
High rate of population growth:
India is maintaining a very high rate of growth of population since 1950. Thus the pressure of population in our country is very heavy. This has resulted from a very high level of birth rates coupled with a falling level of death rates prevailing in our country.

In India, the rate of growth of population has been gradually increasing from 1.31 per cent annually during 1941-50 to 2.5 per cent annually during 1971-81 to 2.11 per cent annually during 1981-91 and then finally to 1.77 per cent during 2001-2011.

The prime cause behind this rapid growth of population is the steep fall in its death rate from 49 per thousand during 1911-20 to 7.1 per thousand in 2011. On the other hand, compared to its death rate, the birth rate of our population has gradually declined from 49 per thousand during 1911-20 to 21.8 per thousand in 2011.

Thus whatever development that has been achieved in the country, it is being swallowed up by the increased population. Moreover, this high rate of growth of population necessitates a higher rate of economic growth just for maintaining the same standard of living.

This imposes a greater economic burden on the economy of our country as to maintain such a rapidly growing population we require food, clothing, housing, schooling, health facilities etc. in greater magnitude. Besides, this fast rate of growth of population is also responsible for rapid increase in the labour force in our country.

Indian Economy:
Existence of chronic unemployment and under-employment:
Rapid growth of population coupled with inadequate growth of secondary and tertiary occupations are responsible for the occurrence of chronic unemployment and under-employment problem in our country. In India, unemployment is structural one, unlike in developed countries, which is of cyclical type.

Here unemployment in India is the result of deficiency of capital. Indian industries are not getting adequate amount of capital for its necessary expansion so as to absorb the entire surplus labour force into it.

Moreover, larger number of labour force is engaged in the agricultural sector of the Indian economy than what is really needed. This has reduced the marginal product of agricultural labourer either to a negligible amount or to zero or even to a negative amount.

There exists disguised unemployment in Indian agricultural sector which has resulted from too much dependence of population on land and absence of alternative occupations in the rural areas.

Moreover, in the urban areas of our country, the problem of educated unemployment has also taken a serious turn. Thus both the rural and urban area of our country has been suffering from the serious problem of unemployment and under-employment to a large extent.

Thus the Third Five Year Plan mentioned, **"Urban and Rural unemployment in fact constitute an indivisible problem."** On the basis of NSS data, the planning commission has estimated that the total backlog of unemployed at the end of Seventh Plan, i.e., in 1990 would be around 28 million.
During the 5 year period of 1990-95, new entrants to the labour force are estimated to be around 37 million. To put it in another way we can guess that total burden of unemployment during this Eighth Plan would be around 65 million which is a matter of serious concern for the economy of our country.

The incidence of unemployment on CDS basis increased from 7.31 per cent of labour force in 1999-2000 to 8.28 per cent of labour force in 2004-05.

Indian Economy:
Poor rate of capital formation:

Capital deficiency is one of the characteristic features of the Indian economy. Both the amount of capital available per head and the present rate of capital formation in India is very low. Consumption of crude steel and energy are the two important indicators of low capital per head in the under-developed countries like India.

In 1987, the per capita consumption of steel in India was only 20 kg as against 582 kg for Japan, 417 kg for U.S.A., 259 kg for U.K. and 64 kg for China. Similarly, the per capita consumption of electricity in 2003 was only 594 for India as against 14,057 for U.S.A., 5,943 for U.K., 8,212 for Japan and 1,440 for China.

Moreover, this low level of capital formation in India is also due to weakness of the inducement of invest and also due to low propensity and capacity to save. As per Colin Clark's estimate, in order to maintain the same standard of living, India requires at least 14 per cent level of gross capital formation.

To achieve a higher rate of economic growth and to improve the standard of living, a still higher rate of capital formatis very much required in India. In India the rate of saving as per cent of GDP has gradually increased from 14.2 per cent in 1965-66 to

30.6 per cent in 2013-14 which is moderately high in comparison to that of 30 per cent in Japan, 23 per cent in Germany, 15 per cent in U.K. and 17 per cent in USA.

But considering the heavy population pressure and the need for self sustained growth, the present rate of saving is inadequate and thus the enhancement of the rate of capital formation is badly needed.

Indian Economy:
Inequality in the distribution of wealth:
Another important characteristic of the Indian economy is the mal-distribution of wealth: The report of the Reserve Bank of India reveals that nearly 20 per cent of the households owing less than Rs 1000 worth of assets possess only 0.7 per cent of the total assets.

Moreover, 51 per cent of the households owing less than Rs 5000 worth of assets possessed barely 8 per cent of the total assets. Lastly, the top four per cent households possessing assets worth more than Rs 50,000 held more than 31 per cent of the total assets.

Maldistribution in income is the result of inequality in the distribution of assets in the rural areas. On the other hand, in respect of industrial front there occurs a high degree of concentration of assets in the hands of very few big business houses. This shows high degree of assets concentration in the hands of very few powerful business houses of our country.

Indian Economy:
Low level of technology:
Prevalence of low level of technology is one of the important characteristics of an underdeveloped economy like India. The economy of our country is thus suffering from technological backwardness. Obsolete techniques of production are largely being applied in both the agricultural and industrial sectors of our country.

Sophisticated modern technology is being applied in productive units at a very limited scale as it is very much expensive. Moreover, it is very much difficult to adopt modern technology in Indian productive system with its untrained, illiterate and unskilled labour.

Thus due to the application of poor technology and lower skills, the productivity- in both the agricultural and industrial sectors of our country is very low. This has resulted in inefficient and insufficient production leading towards general poverty in our economy.

Indian Economy:
Under-utilisation of natural resources:

In respect of natural endowments India is considered as a very rich country. Various types of natural resources, viz., land, water, minerals, forest and power resources are available in sufficient quantity in the various parts of the country.

But due to its various inherent problems like inaccessible region, primitive techniques, shortage of capital and small extent of the market such huge resources remained largely under-utilised. A huge quantity of mineral and forest resources of India still remains largely unexplored. Until recently, India was not in position to develop even 5 per cent of total hydropower potential of the country.

Indian Economy:
Lack of infrastructure:
Lack of infrastructural facilities is one of the serious problems from which the Indian economy has been suffering till today. These infrastructural facilities include transportation and communication facilities, electricity generation and distribution, banking and credit facilities, economic organisation, health and educational institutes etc.

The two most vital sectors, i.e. agriculture and industry could not make much headway in the absence of proper infrastructural facilities in the country. Moreover, due to the absence of proper infrastructural facilities, development potential of different regions of the country largely remains under-utilised.

Indian Economy:
Low level of living:
The standard of living of Indian people in general is considered as very low. Nearly 25 to 40 per cent of the population in India suffers from malnutrition. The average protein content in the Indian diet is about 49 grams only per day in comparison to that of more than double the level in the developed countries of the world.

Moreover, the low calorie intake in Indian diet is another characteristic of low level of living. In 1996 the daily average calorie intake of food in India was only 2,415 in comparison to that of 3,400 calories per day in various developed countries of the world. The present calorie level in India is just above the minimum caloric level required for sustaining life which is estimated at 2100 calories.

Moreover, a small percentage of Indian populations have access to safe drinking water and proper housing facilities. As per the estimate of National Building Organisation (NBO), in total there was a shortage of 31 million housing units at the end of March, 1991 and by the turn of the century, total backlog of housing shortage in the country is around 41 million units.

Indian Economy:
Poor quality of human capital:

Indian economy is suffering from its poor quality of human capital. Mass illiteracy is the root of this problem and illiteracy at the same time is retarding the process of economic growth of our country. As per 2001 census, 65.3 per cent of the total population of India is literate and the rest 34.7 per cent still remains illiterate.

In most of the developed countries like U.S.A., U.K., Canada, Australia etc. the level of illiteracy is even below 3 per cent. Moreover, the problem of illiteracy in India makes way for conservatism and this is going against the economy of the country.

Besides, low level of living is also responsible for poor health condition of the general masses. All these have resulted the problem of poor quality of human capital in the country.

Indian Economy:
Demographic characteristics:
The demographic characteristics of India are not at all satisfactory rather these are associated with high density of population, a smaller proportion of the population in working age group of 15-60 years and a comparatively larger proportion of population in the minor age group of 0-15 years, As per 2011 census, the density of population in India was 382 per sq km. as compared with world density of population of 41 per sq km.

Even in China, the density is nearly 123 per sq km. Again, as per 2001 census, 35.6 per cent of the total population is in the age group of 0-14 years, 58.2 per cent is in the working age group of 15-60 years and about 6.3 per cent in the age group of 60 and above. All these shows that the dependency burden of our population is very high.

Moreover, lower income level, low level of living including absence of balanced diet and proper housing and medical facilities are responsible for low life expectancy of 63.9 years in India in comparison to that of 75 years in most of the developed countries of the world and high rate of infant mortality in India, i.e., about 53 per 1000 children as against only 5 to 7 per 1000 in developed countries,

Indian Economy:
Inadequate development of economic organisation:
Poor economic organisation is another important characteristic of the Indian economy. For attaining economic development at a satisfactory rate certain institutions are very much essential. As for example, for mobilisation of savings and to meet other financial needs, more particularly in the rural (areas, development of certain financial institutions are very much essential.

In India the development of financial institutions is .still inadequate in the rural areas. There is the urgent need to develop certain credit agencies for advancing loan to small farmers on easy terms as well as to provide long term and medium term loan to industries.

For protecting poor tenants from the clutches of landlords, proper enforcement of tenancy legislation is very much necessary. All these require maintenance of honest and efficient administrative machinery which India is lacking very much.

Thus from the foregoing analysis it has been revealed that the Indian economy largely remains underdeveloped as the economy still exhibits the basic features of an underdeveloped economy. But considering its developmental strategy followed during last six decades of its planning and the progress attained in certain areas thereupon, Indian economy can be safely considered as a developing economy.

Social Infrastructure in India

Search

The Social Infrastructure in India includes the education system in India, health care, the management of the education and health services in India that form the basic social infrastructure definition. The India government looks after the social development in India by careful infrastructure planning and handling the social issues in close coordination.

The infrastructure development of any country includes both economic infrastructure development that is the development of various sectors like Energy, Power, Telecom, Transport (Railways, Roadways, Aviation and Shipping), Infotech, Finance, etc. and also the social infrastructures including education and health issues.

India development is incomplete without social development and that would require focus on the infrastructure strategy for social research India. The infrastructure policy of India needs to be made more comprehensive with major changes in the infrastructure projects taken up in the past and more research behind the project infrastructure so as to yield maximum developmental results.

The infrastructure research work includes the current issues that require immediate attention in a proper infrastructure report and then formulation and planning of projects in sync with the infrastructure industry.

The metro cities in India including Bangalore, Mumbai, Chennai, Delhi and smaller cities in Maharashtra like Pune and Nagpur have a very well developed economic as well as social infrastructure. The leading one still remains Goa followed in close second by Kerala. The social infrastructure in India needs to reach the standards these states have reached individually. The health and education system of Goa and Kerala is the most developed one in India with the maximum literacy rates in both general literacy as well as health literacy.

EDUCATION

Education in India:

Imparting education on an organized basis dates back to the days of 'Gurukul' in India. Since then the India education system has flourished and developed with the growing needs of the economy. The education in India statistics are however in a sad state showing a below average literacy rate. The education ministry in India formulates education policy in India and also undertakes education programs designed specially for kids, for women, for the people in prisons and other special projects for social development of India.

Education system India:

Education in India until 1976 was the responsibility of the state governments; it was then made a joint responsibility of both centre and state. The centre is represented by the Education Ministry a subsidiary of the Ministry of Human Resource Development India. The Education Ministry India decides the India education budget allocating education grants for projects to upgrade the education levels in India.

The education system in India consists of primarily six levels:

- Nursery Class
- Primary Class
- Secondary Level
- Higher Secondary Level
- Graduation
- Post Graduation

Education Institutions India:

Education in India follows the 10+2 pattern. For higher education there are various state run as well as private institutions and universities providing a variety of courses and subjects. The accreditation of the universities is decided under the universities grant commission act that has formed autonomous institutions that have the right to provide accreditation to universities and 'vishwvidyalayas'. The education department consists of various schools, colleges and universities imparting education on fair means and education for all sections of the society.

Education Problems and Reforms in India:

The main problem of the education system in India is that the targets set by the centre or the ministry of education to achieve a 100% literacy rate has never been achieved except for Kerala state. Also the unorganized education sector with many state and national level education boards operating like the SSLC, ICSE, CBSE, IB and IGCSE having different curriculum and study patterns provides a non-uniformity to the India education system.

The education reforms taken up include a compulsory and free education for all children below the age of 14 years, subsidized higher education and various scholarship and education programs to achieve the literacy targets. The ministry of education India under the ministry of human resource developments is undertaking the task of forming a uniform pattern in the study curriculum at all education levels in India. This education policy if followed strictly can solve the basic problems being faced by the education system of India. Also the government and all Leading Banks In India provide education loans on low interest rates to students for higher education.

HEALTH

Health in India

Health in India is a state government responsibility with the national health policy laying down the necessary health policy in India. The central council of health and welfare formulates the various health care projects and health department reform policies. The administration of health industry in India as well as the technical needs of the health sector are the responsibility of the ministry of health and welfare India.

Health care in India has many forms. These are the ayurvedic medicine practice, Unani or Galenic Herbal Care, Homeopathy, Allopathy, Yoga, and many more. Each different healthcare form has its own treatment system and practice patterns. The medical practicing in India needs a proper licensing from the health ministry.

Health Department in India

The health ministry in India takes care of the health department. The main responsibility of the health ministry India is to provide hygienic health care solutions for all, supervision of the basic health infrastructure development in India by construction of hospitals, nursing homes and dispensaries as per the needs of the area.

Health Care Services in India:

The health care services in India are mainly the responsibility of the health ministry and also the private companies in the health industry in India collectively. Provision for adequate medical facilities for all including enough hospitals and other healthcare institutions to cater to the healthcare needs of the people, medicines and drugs supply, medical equipments and other medical products and ser vices required in the health department.

Hospitals or Healthcare Institutions in India:

The ministry of health and family welfare India has set up many state run hospitals that provide subsidized medical facilities to all. Besides these health ministry run health institutions, many private companies have also set up big hospitals and specialty clinics that provide health care services. The specialty healthcare institutions include heart institutes, cancer hospitals, nursing homes, and many others. Toady the health industry in India is a flouring one with many foreign health care companies extending their health services in India and providing quality healthcare services to people in India.

The Relationship Between Education and Health

The Relationship between Health and Education
Some relevant statistics to consider:

- The mortality rate (deaths per 100,000) among American males *without* a high school diploma between 25 to 64-year-olds was 655.2
- For American males *with* high school diplomas, the mortality rate was 600.9
- While for males with a college education or higher, it is 238.9

There are similar falls in rates for alcohol abuse, smoking, and obesity as the level of schooling increases.

Education and Health
More-educated people are less likely to suffer from common acute and chronic diseases (heart condition, stroke, diabetes, asthma), but cancer seems to be the exception to the level of education. More-educated people are likely to exercise, use seat belts, take vaccinations and thus the effect of education on mortality is reduced by 30%.

Better Health = Better Education?
High-income families are also likely to raise their children with higher nutrition and healthcare, which does lead to better education versus lower-income groups who find it harder to complete schooling.

Poor health in childhood may lead to lower education levels, and indicators such as low birth weight (predictor childhood health) suggest lower test scores and lower education levels.

The relationship of which came first remains inconclusive, but the impact of one on the other is statistically significant.

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Top 13 Characteristics of the Indian Economy

- The following points highlight the top thirteen **characteristics** of the **Indian economy**. ...
- Low per capita income: ...
- Excessive dependence of agriculture and primary producing: ...
- High rate of population growth: ...
- Existence of chronic unemployment and under-employment: ...
- Poor rate of capital formation:

More items...
What are the main features of Indian Economy?
Salient Features of Indian Economy

- **India**, as a developing country, **features** a mixed **economy** in the world. ...
- Low Per Capita Income:
- The per capita income of **India** is much less than that of the developed countries. ...
- Agro-Based **Economy**:
- **Indian economy** is totally agro-based **economy**. ...
- Overpopulation:

Predominance of Agriculture

More than 50 per cent population engaged in agriculture and agri-businesses. Challenges in agriculture are remarkable. The growth of Indian economy mainly based on agriculture sector. Farming is

introduction

We are considering here, the post independence period of India to understand the characteristics of Indian economy. India is a fast growing developing country in current situation. It has 2nd largest population in the world. It has a good consumer market for international trade. It has adopted global advanced changes for achieve the stable economic growth.

the main occupation of India.

Low per capita income

The per capita income is a crude indicator of the prosperity of a nation. Rs. 11254/- per month

Inequitable Distribution of Income

There are 73% of the wealth generated last year gone into the hands of the richest 1%. Childhood development of the poor. Progressive tax system. Health expenditure capacity.

Predominance of Agriculture

More than 50 per cent population engaged in agriculture and agri-businesses. Challenges in agriculture are remarkable. The growth of Indian economy mainly based on agriculture sector. Farming is the main occupation of India.

Unemployment and Under-Employment

Unemployment

• Total lack of jobs. • Supply of labour is cheap.

Underemployment

• WorkInadequate Capital

Due to poverty savings are low.

There is no effective mobilization of savings.

Savings not converted into efficient investment in proper way. ing hours are not full time. • Jobs available but not respect to their economic need or training

Vicious Circle of Poverty

Low Productivity

Low Income

Low Demand

Lack of Capital

Low Investment

Low Production

Poverty

The main causes of urbanisation in India are:

- Expansion in government services, as a result of the Second World War
- Migration of people during the partition of India
- The Industrial Revolution
- Eleventh five-year plan that aimed at urbanisation for the economic development of India
- Economic opportunities are just one reason people move into cities
- Infrastructure facilities in the urban areas
- Growth of private sector after 1990 .
- Growth of employment in cities is attracting people from rural areas as well as smaller cities to...

What is institutional structure?

Institutional structure synonyms, Institutional structure pronunciation, Institutional structure translation, English dictionary definition of Institutional structure. n. 1. The act of instituting: the institution of reforms. 2. a. A custom, practice, relationship, or behavioral pattern of importance in the life of a...