

Dr.K.Ushakumari,
Assistant Professor of Economics,
K.N.Govt. Arts College for women (A), Thanjavur.

II M.A. ECONOMICS

ECONOMICS FOR COMPETITIVE EXAMINATION

UNIT- III

COURSE CODE: 18KP3ECELEC3

Human resource: Human resource is the term used as an alternative to the employees or people in an organisation. Human resource is fundamental resource and foundation for existence of any organisation so as to achieve its mission, goals and objectives and its managed by the Human Resource officer or Manager.

Human Resource refer to the individuals or personnel or workforce within an organisation responsible for performing the tasks given to them for the purpose of achievement of goals and objectives of the organisation which is possible only through proper recruitment and selection, providing proper orientation an induction, training, skill developments, proper assessment of employees (performance appraisal), providing appropriate compensation and benefits, maintaining proper labour relations and ultimately maintaining safety, welfare and health concern of employees, which is process of the human resource management.

Human resources development (HRD) refers to the vast field of training and development provided by organizations to increase the knowledge, skills, education, and abilities of their employees.

Human resources development is important because it is an investment in one's employees that will ultimately result in a stronger and more effective workforce. When an organization develops their employees, they are strengthening their assets and making these employees even more valuable.

Human Resource Development (HRD) is the framework for helping employees develop their personal and organizational skills, knowledge, and abilities.

The field of HRD or Human Resource Development encompasses several aspects of enabling and empowering human resources in organization. Whereas earlier HRD was denoted as managing people in organizations with emphasis on payroll, training and other functions that were designed

to keep employees happy, the current line of management thought focuses on empowering and enabling them to become employees capable of fulfilling their aspirations and actualizing their potential.

This shift in the way human resources are treated has come about due to the prevailing notion that human resources are sources of competitive advantage and not merely employees fulfilling their job responsibilities. The point here is that the current paradigm in HRD treats employees as value creators and assets based on the RBV or the Resource Based View of the firm that has emerged in the SHRM (Strategic Human Resource Management) field.

The field of HRD spans several functions across the organization starting with employee recruitment and training, appraisals and payroll and extending to the recreational and motivational aspects of employee development.

Indeed, one reason for the emergence of the RBV or the SHRM paradigm is that with the advent of the service sector and the greater proportion of companies in the service sector, employees are not merely a factor of production like land, labor and capital but in fact, they are sources of competitive advantage. This is characterized by many CEO's calling employees their chief assets and valuing their contribution accordingly. As a matter of fact, many IT and Financial Services companies routinely refer to employees as the value creators and value enhancers rather than just resources doing their job.

What this has meant is that the field of HRD has become prominent and important for organizations and has morphed into a function that takes its place among other support functions in organizations and indeed, it is the main driver of competitive advantage.

Further, the field of HRD now has taken on a role that goes beyond employee satisfaction and instead, the focus now is on ensuring that employees are delighted with the working conditions and perform their jobs according to their latent potential which is brought to the fore. This has resulted in the HRD manager and the employees of the HRD department becoming partners in the organization's progress instead of just yet another line function. Further, the HR managers now routinely interact with the functional managers and the people managers to ensure high levels of job satisfaction and fulfillment. The category of people managers is a role that has been created in many multinational companies like Fidelity and IBM to specifically look into the personality related aspects of employees and to ensure that they bring the best to the table.

Finally, HRD is no longer just about payroll or timekeeping and leave tracking. On the other hand, directors of HRD in companies like Infosys are much sought after for their inputs into the whole range of activities spanning the function and they are expected to add value rather than just consume resources. With this introduction, we will be moving into the module covering HRD with each aspect of the HRD function and the associated topics being covered here. It is hoped that the readers would gain an overall perspective about HRD after going through the HRD module

The field of HRD spans several functions across the organization starting with employee recruitment and training, appraisals and payroll and extending to the recreational and motivational aspects of employee development.

Indeed, one reason for the emergence of the RBV or the SHRM paradigm is that with the advent of the service sector and the greater proportion of companies in the service sector, employees are not merely a factor of production like land, labor and capital but in fact, they are sources of competitive advantage. This is characterized by many CEO's calling employees their chief assets and valuing their contribution accordingly. As a matter of fact, many IT and Financial Services companies routinely refer to employees as the value creators and value enhancers rather than just resources doing their job.

What this has meant is that the field of HRD has become prominent and important for organizations and has morphed into a function that takes its place among other support functions in organizations and indeed, it is the main driver of competitive advantage.

Further, **the field of HRD now has taken on a role that goes beyond employee satisfaction and instead, the focus now is on ensuring that employees are delighted with the working conditions and perform their jobs according to their latent potential which is brought to the fore.** This has resulted in the HRD manager and the employees of the HRD department becoming partners in the organization's progress instead of just yet another line function. Further, the HR managers now routinely interact with the functional managers and the people managers to ensure high levels of job satisfaction and fulfillment. The category of people managers is a role that has been created in many multinational companies like Fidelity and IBM to specifically look into the personality related aspects of employees and to ensure that they bring the best to the table.

Finally, HRD is no longer just about payroll or timekeeping and leave tracking. On the other hand, directors of HRD in companies like Infosys are much sought after for their inputs into the whole range of activities spanning the function and they are expected to add value rather than just consume resources. With this introduction, we will be moving into the module covering HRD with each aspect of the HRD function and the associated topics being covered here. It is hoped that the readers would gain an overall perspective about HRD after going through the HRD module.

Population Problem in India:

India is one of the densely populated countries of the world. It has to support about 15% of the world population, although its land area is merely 2.4% of the land area of the world.

In 1950-51, India's population was 361 million. According to 2001 census it was 1,027 million.

India's population stood at 1027,015,247 on March 1, 2001. The decennial census of 2001 indicates an addition of 181 mn. people between 1991 and 2001 but the rate of growth in this decade shows the sharpest decline (21.34%) since independence.

The exponential rate of growth of population (annual) in the decades 1991-2001 was 1.9% as against 2.1% the previous decade. But it was still higher than the assumptions regarding from 1.6 to 1.8% made by the planning commission.

The rate of population growth depends on the difference between the birth rate and the death rate. Thus, the population growth experienced in India can largely be explained by variations in birth and death rates.

The death rate continued to fall over the entire plan period. But the birth rate continues to remain high by current standards. As a result there has been a net addition to the size of the population.

A study of India's demographic trends during the last five decades reveals that the death rate has fallen much faster than the birth rate. The death rate has already fallen to a very low level (viz., 9.6 per thousand). There is no scope for reducing it further. But the birth rate continues to be high by current standards. Therefore, in future India's population will be a function of birth rate alone.

The Nature of India's Population Problem:

The number of people which a country can support largely, if not entirely, depends upon its existing natural resources, the methods it uses in production, and the efficiency of labour which affects labour productivity. It appears from current standards that India should have about 400 million in 2002 instead of 1,027 million.

This excess population is itself a symptom of over-population. This problem is becoming more and more acute day by day due to rapidly increasing population— by about 22 million persons a year. So, India is over-populated.

However, a small minority of people see that India is not really over-populated because it is a vast country with plenty of natural resources. These resources have not been fully used as yet. They express the view that, if all the resources are fully employed, India can maintain a larger population than what it is having now and in much greater comfort.

There is some truth in this argument. But one cannot deny the following facts:

- (a) The population of India is very large by current standards.
- (b) The rate of increase of population is also high — about 2.22% per year, in absolute form this comes to nearly 22 million persons per annum.
- (c) Even the existing population is not being fed, clothed and housed properly; most people are living in miserable conditions.
- (d) The modest increase in national income under planned economic development is being eaten up by the increase in population. As a result, the per capita income growth has almost reached a vanishing point.
- (e) The need of controlling population is urgent and pressing so that the existing people may have an improved standard of living.

There is no denying the fact that there were too many people now in India. However, the real problem is not the present large size of the population but the rate at which the size of population is increasing every year? India can progress if— and only if—the continuous and huge increase in population is held in check.

Solving the Population Problem:

One may suggest two measures for solving India's population problem.

These are:

1. Birth control and
2. Accelerating the rate of growth of the economy.

The control of births seems to be the most common method of checking the growth of population. However, because of the low level of literacy and lack of general interest, family planning has not achieved much success so far.

Rapid economic development will surely answer our needs. In fact, China has achieved rapid growth in spite of population growth. People must be made to feel that their poverty is removable and they can enjoy all those things which the higher income groups enjoy. Then only will they start working hard. Furthermore, they will adopt a small family norm, if they realise that a large number of children will definitely keep them poor and make them poorer.

But according to the theory of demographic transition in the initial stages there is a possibility for the birth rate to rise or, at least, to remain constant, but the death rate is bound to decline. If this happens, then birth control will have to go hand-in-hand with the acceleration of the rate of economic growth.

India's rapidly growing population is the most serious obstacle to her economic development. It is not possible to reduce the existing size of population. But it is, of course, possible to slowdown the rate at which population is increasing.

Size and Growth of India's Population:

India comes second to China as regards the size of its population. It occupies 2.4% of world's area and with 1.5% of world's income; India is maintaining 16% of world's population. It shows that there is excessive burden of population in India. 1.60 crore persons are added annually in country's population. First census took place in 1891 in India. Size and Growth of India's population .

The rate of growth of population in India was slow between 1891-1921:

(a) 1891-1901:

Population decreased by 4 lakh in this decade. Natural calamities like famines, plague, malaria etc. played havoc with the lives of people.

(b) 1901-1911:

Population rose by 137 lakhs in these 10 years. Death rate was low as this period remained free from natural calamities.

(c) 1911-1921:

Population decreased by 7 lakhs during this decade. Famine, Plague, Cholera and Malaria etc. were the cause for this decrease.

2. Steady Growth of Population Period (1921-1951):

In this decade, the population increased at a constant rate. That is why; the year 1921 has referred as 'Year of Great Divide' in population history.

(a) 1921-1931:

Population increased by 276 lakhs.

(b) 1931-1941:

Population increased by 3.96 crore during this period and rate of growth become 14%.

(c) 1941-1951:

Population increased by 4.24 crore. Due to partition of the country, the growth rate decreased a little.

3. Period of Population Explosion (1951-1981):

(a) 1951-1961:

In this decade, population increased rapidly. It is called 'period of population explosion'. Population increased by 7.82 crore.

(b) 1961-1971:

In this period population recorded increase of 10.82 crore.

(c) 1971-1981:

During this period, population increased by 13.50 crore.

4. Period of High Growth 1981 onwards:

(a) 1981-1991:

In this decade, the population was 84.63 crore.

(b) 1991-2001:

In 2001, the population went up to 402.87 crore.

The population of India increased by 18.24 crore.

5 Main Causes of Population Growth in India – Explained!

Some of the most important causes of population growth in India are as follows: 1. Widening Gap between Birth and Death Rates 2. Low Age at Marriage 3. High Illiteracy 4. Religious Attitude towards Family Planning 5. Other Causes.

1. Widening Gap between Birth and Death Rates:

The average annual birth rate in India which was 42 per thousand populations in 1951-61 came down to 28.7 per thousand in 1993. The death rate also came down from over 27 per thousand populations in 1951-61 to 9.3 in 1993 (The Hindustan Times, July 11, 1995). Thus, since birth rate has shown a small decline and the death rate has gone down rather sharply, the widening gap has increased our population rapidly. The total fertility rate (average number of children born per woman) came down from about six in the fifties to 3.5 in 1992-93. Yet, for the past ten years, the average family size has stayed out at 4.2 children.

If we add the annual figures of abortions (between 10 and 11 million including 4 million spontaneous and 6.7 million induced) to the annual number of births (17 million) that take place in the country, we come to the shocking conclusion that in this age of family planning, one out of every five Indian women in the reproductive age group of 15-45 years is pregnant at any time.

2. Low Age at Marriage:

ADVERTISEMENTS:

Child marriages have been very common in our country. According to the 1931 census, 72 per cent marriages in India were performed before 15 years of age and 34 per cent before ten years of age. Since then, there has been a continuous increase in the mean age of marriage among both males and females. The mean age at marriage of females increased from 13.1 in 1901 to 13.2 in 1911, 13.1 in 1921, 13.7 in 1931, 14.7 in 1941, 15.6 in 1951, 16.1 in 1961, 17.2 in 1971, 17.6 in 1981 and 18.4 in 1991.

In 1994, the mean age at marriage was estimated to be 19.3 years. Against this, the mean age at marriage of males increased from 20.0 in 1901 to 20.7 in 1921, 19.9 in 1951, 21.4 in 1961, 22.2 in 1971, 22.6 in 1981 and 22.9 in 1991 (Handbook on Social Welfare Statistics, 1981: 50 and the Hindustan Times, July 11, 1995). In 1994, the mean age was estimated to be 23.1 years. Thus, though the mean age of marriage has been continuously increasing, yet a large number of girls even today marry at an age at which they are not ready for marriage either socially and emotionally, or physiologically and chronologically.

The infant mortality rate is directly related to the age of women at marriage. If we divide women in three groups in terms of age at marriage, namely, below 18, 18-20, and 21 and above, the infant mortality rate in each of these three groups in rural areas (in 1978) was 141, 112 and 85 respectively while in the urban areas, it was 78, 66 and 46 respectively (Social Welfare Statistics, 1981:50).

If we relate fertility rates (average number of children born per woman) with age groups, we find that as the age group increases, the fertility rate decreases. If population growth is to be controlled, marriage of females (in rural and urban areas) is to be preferred in 21-23 or 23-25 age groups than in 15-18 or 18-21 age groups.

3. High Illiteracy:

ADVERTISEMENTS:

Family planning has a direct link with female education, and female education is directly associated with age at marriage, general status of women, their fertility and infant mortality rate and so forth. According to the 1991 census, the overall literacy percentage in India is 52.11 as compared to 43.56 ten years ago. The male literacy percentage is 63.86 while the female literacy percentage is 39.42 (India, 1992:9).

Education makes a person liberal, broad-minded, open to new ideas, and rational. If both men and women are educated, they will easily understand the logic of planning their family, but if either of them or both of them are illiterate, they would be more orthodox, illogical and religious-minded.

This is evident from the fact that Kerala which has the overall literacy rate of 90.59 per cent and female literacy rate of 86.93 per cent (in 1991) has the lowest birth rate (22.4 per thousand) while Rajasthan's appallingly low female literacy rate of 20.84 per cent (in 1991) gives rise to the third highest birth rate in the country (36.4%), the highest having been registered in Uttar Pradesh (37.5%), followed by Madhya Pradesh (37.1%). These statistical figures hold good for most of the other states too.

4. Religious Attitude towards Family Planning:

The religiously orthodox and conservative people are against the use of family planning measures. There are women who disfavour family planning on the plea that they cannot go against the wishes of God. There are some women who argue that the purpose of a woman's life is to bear children. Other women adopt a passive attitude: "If I am destined to have many children, I will have them. If not, I will not have them. Why should I bother about it".

Indian Muslims have a higher birth rate as well as fertility rate than the Hindus (Muslim women having fertility rate of 4.4 as compared to 3.3 among Hindus women) According to a survey conducted among the Muslims by the Operations Research Group in 1978, although a majority of both male and female respondents were aware of modern family planning methods, they were either against using them on religious grounds or they lacked clear and adequate knowledge about them.

5. Other Causes:

Some of the other causes responsible for the increase in population are: joint family system and lack of responsibility of young couples in these families to bring up their children, lack of recreational facilities, and lack of information or wrong information about the adverse effects of vasectomy, tubectomy and the loop.

Many poor parents produce children not because they are ignorant but because they need them. This is evident from the fact that there are some 35 million child workers in our country. If families stop those children from working, their family funds will be ruined.

Producing more children by the poor people illustrates the paradox of population-poverty interrelationship. Poverty is both the cause and effect of the population growth. Having produced many children for sons to combat one's family's growing needs, the parents are forced to keep them out of school to supplement their household income. In turn, unlettered and ignorant children will inherit their father's lot and like him, opt to have as many sons as are needed to work for sustenance. Ironically, a huge family size is the poor man's only way to combat poverty caused by the population boom.

Some of the most important causes of population growth in India are as follows: 1. Widening Gap between Birth and Death Rates 2. Low Age at Marriage 3. High Illiteracy 4.

This unprecedented growth of human population at an alarming rate is referred to as population explosion. India is the second most populous country of the world with 1 billion people. If the current growth rates continue, it will have 1.63 billion people by 2050 and will become the most populous country surpassing China

Steps to Control Population in India. The Government of India, politicians, policy makers should initiate a bold population policy so that the economic growth of the country can keep pace with the demands of a growing population.

Also, in India, marriage is a sacred obligation and a universal practice, where almost every woman is married at the reproductive age. Poverty and Illiteracy: Another factor for the rapid growth of population is poverty. Impoverished families have this notion that more the number of members in the family, more will be the numbers to earn income.

Population Policies: Population Policies formulated to address the unmet needs for contraception, health care infrastructure, and health personnel, and to provide integrated service delivery for basic reproductive and child health care.

The National Population Policy 2000 — released on Feb. 15 — aims to bring the total fertility rate (TFR) to replacement level by 2010 and to achieve a stable population by 2045, at a level consistent with sustainable economic growth, social development, and environmental protection.

India 2020 population is estimated at 1,380,004,385 people at mid year according to UN data. India population is equivalent to 17.7% of the total world population.

There are two main types of population policy. Pro Natalist and Anti Natalist. Countries all face a different and uncertain future regarding the demographic structure of their population. Governments now face a growing concern over the age structure and the decline and growing birth rates.

"No person shall procreate more than two living children after a period of one year from the commencement of this Act," stated a population control bill introduced on the Parliament floor in 2016 by Prahalad Singh Patel, a legislator from the central Indian state of Madhya Pradesh

Population policy may be defined as deliberately constructed or modified institutional arrangements and/or specific programs through which governments influence, directly or indirectly, demographic change. ... International aspects of population policy have become increasingly salient in the contemporary world.

The National Population Policy, 2000 (NPP 2000) affirms the commitment of government towards voluntary and informed choice and consent of citizens while availing of reproductive health care services, and continuation of the target free approach in administering family planning services.³⁰
ए.पी., 2015

The National Population Policy (NPP) finally came into force in 2000. The Policy states that the "immediate objective of the NPP 2000 is to address the unmet needs for contraception, healthcare infrastructure, and health personnel, and to provide integrated service delivery for basic reproductive and child healthcare.

The following are among the more important features of the 1976 national population policy: 1) increase the marriage age from 15-18 years for girls and from 18 to 21 years for boys; 2) freeze the population figures at the 1971 level until the year 2001 for purposes of representation in the national parliament as well .

The immediate objective of the NPP 2000 is to address the unmet needs for contraception, health care infrastructure, and health personnel, and to provide integrated service delivery for basic reproductive and child health care.

India Needs Population Control Bill

The two main common causes leading to over population in India are:

- The birth rate is still higher than the death rate. We have been successful in declining the death rates but the same cannot be said for birth rates.
- The fertility rate due to the population policies and other measures has been falling but even then it is much higher compared to other countries.

The above causes are interrelated to the various social issues in our country which are leading to over population.

- **Early Marriage and Universal Marriage System:** Even though legally the marriageable age of a girl is 18 years, the concept of early marriage still prevails and getting married at a young age prolongs the childbearing age. Also, in India, marriage is a sacred obligation and a universal practice, where almost every woman is married at the reproductive age.
- **Poverty and Illiteracy:** Another factor for the rapid growth of population is poverty. Impoverished families have this notion that more the number of members in the family, more will be the numbers to earn income. Some feel that more children are needed to look after them in their old age. Also, hunger can be a cause of death of their children and hence the need for more children. Strange but true, Indian still lag behind the use of contraceptives and birth control methods. Many of them are not willing to discuss or are totally unaware of them. Illiteracy is thus another cause of over population
- **Age-old cultural norm:** Sons are the bread earners of the families in India. This age-old thought puts considerable pressure on the parents to produce children until a male child is born. More the better.
- **Illegal migration:** Last but not the least, we cannot ignore the fact that illegal migration is continuously taking place from Bangladesh, Nepal leading to increased population density.

Effects of Over Population

Even after 67 years of independence, the scenario of our country is not good, due to over population. Some major impacts of the high population are as follows:

- **Unemployment:** Generating employment for a huge population in a country like India is very difficult. The number of illiterate persons increases every year. The unemployment rate is thus showing an increasing trend.
- **Manpower utilisation:** The number of jobless people is on the rise in India due to economic depression and slow business development and expansion activities.

- **Pressure on infrastructure:** Development of infrastructural facilities is unfortunately not keeping pace with the growth of population. The result is lack of transportation, communication, housing, education, healthcare etc. There has been an increase in the number of slums, overcrowded houses, traffic congestion etc.
- **Resource utilisation:** Land areas, water resources, forests are over exploited. There is also a scarcity of resources.
- **Decreased production and increased costs:** Food production and distribution have not been able to catch up with the increasing population and hence the costs of production have increased. Inflation is the major consequence of our population.
- **Inequitable income distribution:** In the face of an increasing population, there is an unequal distribution of income and inequalities within the country widen.

Steps to Control Population in India

The Government of India, politicians, policy-makers should initiate a bold population policy so that the economic growth of the country can keep pace with the demands of a growing population. Major steps which have been already implemented but still need to be emphasised more control population. Increasing the welfare and status of women and girls, spread of education, increasing awareness for the use of contraceptives and family planning methods, sex education, encouraging male sterilisation and spacing births, free distribution of contraceptives and condoms among the poor, encouraging female empowerment, more health care centres for the poor, to name a few, can play a major role in controlling the population.

India's strengths in the global world in various fields cannot be ignored, whether in science & technology, medicine and health care, business and industry, military, communication, entertainment, literature and many more. Experts are hopeful that by increasing public awareness and enlisting strict population control norms by the Government will definitely lead the way for the country's economic prosperity and control of the population.

UNIT – IV

New Delhi: **Sixty-nine years ago, on 9 July 1951, India's first Prime Minister** Jawaharlal Nehru presented the First Five-Year Plan to the Parliament.

Five-Year Plans were a formal model of planning adopted by the Indian government after Independence, for an effective and balanced utilisation of resources.

They were formulated by the Planning Commission of India, which was established on 15 March 1950. Since it was not a constitutional body, the Commission reported directly to the Prime Minister and its first Chairman was Nehru himself. The Commission was tasked with the responsibility of raising the standard of living in the country through proper allocation of resources, increasing production and enabling employment opportunities for everybody.

Five year Plan India: In India, after the independence, the government set up a Planning Commission in 1950. This commission would be responsible for framing and implementing the five year plans of the country. They began their efforts with the first five year plan in 1950. Every five year plan is developed with a specific goal in mind.

In India, after the independence, the government set up a Planning Commission in 1950. This commission would be responsible for framing and implementing the five year plans of the country. They began their efforts with the first five year plan in 1950. Every five year plan is developed with a specific goal in mind.

India had a total of 12 Five-Year Plans, the last one being from 2012-2017. In 2015, Prime Minister Narendra Modi dissolved the Planning Commission and replaced it with the Niti Aayog. The Five-Year Plans were also discontinued. Also read: 60 years ago, a Right liberal Swatantra Party had challenged Nehru's socialist Raj

1. The first five-year plan in India was launched in 1951 and since then, India had launched twelve Five Year Plans. The present NDA government has dissolved the Planning Commission and has replaced it with the NITI Aayog. Let us have a look at the Five Year Plans the country has witnessed so far.

. It was made for the duration of **1951 to 1956**, under the leadership of **Jawaharlal Nehru**.

II. It was based on the Harrod-Domar model with a few modifications.

III. Its main focus was on the agricultural development of the country.

IV. This plan was successful and achieved a **growth rate of 3.6% (more than its target of 2.1%)**.

V. At the end of this plan, five IITs were set up in the country.

2. Second Five Year Plan:

- I. It was made for the duration of **1956 to 1961**, under the leadership of **Jawaharlal Nehru**.
- II. It was **based on the P.C. Mahalanobis Model made in the year 1953**.
- III. Its main focus was on the industrial development of the country.
- IV. This plan lags behind its target growth rate of 4.5% and achieved a growth rate of 4.27%.
- V. However, this plan was criticized by many experts and as a result, India faced a payment crisis in the year 1957

3. Third Five Year Plan:

- I. It was made for the duration of **1961 to 1966**, under the leadership of **Jawaharlal Nehru**.
- II. This plan is also called '**Gadgil Yojna**', after the Deputy Chairman of Planning Commission D.R. Gadgil.
- III. The main target of this plan was to make the economy independent. The stress was laid on agriculture and the improvement in the production of wheat.
- IV. During the execution of this plan, India was engaged in two wars: (1) the Sino-India war of 1962 and (2) the Indo-Pakistani war of 1965. These wars exposed the weakness in our economy and shifted the focus to the defence industry, the Indian Army and the stabilization of the price (India witnessed inflation).
- V. The plan was a flop due to wars and drought. The target growth was 5.6% while the achieved growth was 2.4%.

Welfare Programmes by the Government of India

4. Plan Holidays:

- I. Due to the failure of the previous plan, the government announced plan holidays from **1966 to 1969**.
- II. The main reason behind the plan holidays was the Indo-Pakistani war and the Sino-India war, leading to the failure of the third Five Year Plan.
- III. During this plan, annual plans were made and equal priority was given to agriculture its allied sectors and the industry sector.
- V. In a bid to increase the exports in the country, the government declared **devaluation of the rupee**.

5. Fourth Five Year Plan:

- I. Its duration was from **1969 to 1974**, under the leadership of **Indira Gandhi**.

II. There were two main objectives of this plan i.e. growth with stability and progressive achievement of self-reliance.

III. During this time, 14 major Indian banks were nationalized and the Green Revolution was started. Indo-Pakistani War of 1971 and Bangladesh Liberation War took place.

IV. This plan failed and could achieve a growth rate of 3.3% only against the target of 5.6%.

6. Fifth Five Year Plan:

I. Its duration was **1974 to 1978**.

II. This plan focussed on Garibi Hatao, employment, justice, agricultural production and defence.

III. The Electricity Supply Act was amended in 1975, Twenty-point programme was launched in 1975, the Minimum Needs Programme (MNP) and the Indian National Highway System was introduced.

IV. Overall this plan was successful which achieved a growth of 4.8% against the target of 4.4%.

V. This plan was terminated in 1978 by the newly elected **Moraji Desai government**

7. Rolling Plan:

I. After the termination of the fifth Five Year Plan, the Rolling Plan came into effect from **1978 to 1990**.

II. In 1980, the Congress rejected the Rolling Plan and a new sixth Five Year Plan was introduced.

III. Three plans were introduced under Rolling plan: (1) For the budget of the present year (2) this plan was for a fixed number of years-- 3,4 or 5 (3) Perspective plan for long terms-- 10, 15 or 20 years.

IV. The plan has several advantages as the targets could be mended and projects, allocations, etc. were variable to the country's economy. This means that if the targets can be mended each year, it would be difficult to achieve the targets and will result in the destabilization in the Indian economy.

8. Sixth Five Year Plan:

I. Its duration was from **1980 to 1985**, under the leadership of **Indira Gandhi**.

II. The basic objective of this plan was economic liberalisation by eradicating poverty and achieving technological self-reliance.

III. It was based on investment Yojna, infrastructural changing and trend to the growth model.

IV. Its growth target was 5.2% but it achieved a 5.7% growth.

9. Seventh Five Year Plan:

I. Its duration was from **1985 to 1990**, under the leadership of **Rajiv Gandhi**.

II. The objectives of this plan include the establishment of a self-sufficient economy, opportunities for productive employment and up-gradation of technology.

III. For the first time, the private sector got the priority over **public sector**.

IV. Its growth target was 5.0% but it achieved 6.01%.

10. Annual Plans:

I. Eighth Five Year Plan could not take place due to the volatile political situation at the centre.

II. Two annual programmes were formed for the year 1990-91 & 1991-92.

Nature of Indian Economy: Structure and Key Features

11. Eighth Five Year Plan:

I. Its duration was from **1992 to 1997**, under the leadership of **P.V. Narasimha Rao**.

II. In this plan, the top priority was given to the development of human resources i.e. employment, education, and public health.

III. During this plan, Narasimha Rao Govt. launched the **New Economic Policy of India**.

IV. This plan was successful and got an annual growth rate of 6.8% against the target of 5.6%.

12. Ninth Five Year Plan:

I. Its duration was from **1997 to 2002**, under the leadership of **Atal Bihari Vajpayee**.

II. The main focus of this plan was **“growth with justice and equity”**.

III. It was launched in the 50th year of independence of India.

IV. This plan failed to achieve the growth target of 7% and achieved a growth rate of 5.6%.

13. Tenth Five Year Plan:

I. Its duration was from **2002 to 2007**, under the leadership of Atal Bihari Vajpayee and Manmohan Singh.

II. This plan aims to double the Per Capita Income of India in the next 10 years.

III. It aims to reduce the poverty ratio of 15% by 2012.

IV. Its growth target was 8.0% but it achieved only 7.2%.

14. Eleventh Five Year Plan:

I. Its duration was from **2007 to 2012**, under the leadership of [Manmohan Singh](#).

II. It was prepared by the C. Rangarajan.

III. Its main theme was “**rapid and more inclusive growth**”.

IV. It achieved a growth rate of 8% against a target of 9% growth.

India's Eleventh Five-Year Plan (2007-2012)

The National Development Council (NDC) has approved the Eleventh Plan on 19th December 2007 to raise the average economic growth rate to 9 percent from 7.6 percent recorded during the Tenth Plan.

The total outlay of the Eleventh Plan has been placed at Rs.3644718 crore which is more than double of the total outlay of the previous Tenth Plan.

In this proposed outlay, the contribution of Central Government and State governments will be Rs.2156571 crore and Rs. 1488147 crore respectively. In order to make growth more inclusive, the Eleventh Plan proposes to increase the agriculture sector growth rate to 4 percent from 2.13 percent in the Tenth Plan.

The growth targets for industry and services sectors have been pegged at 9 to 11 percent. The industrial growth rate in the Tenth Plan was 8.74 percent, which the services sector grew by 9.28 percent. The basic theme of this plan period is “Inclusive Growth”.

Salient Features of Eleventh Plan:

1. The investment rate has been proposed to be raised to 36.7 percent from 30.8 percent in the previous plan.

2. The draft document has envisaged a savings rate of 34.8 percent, which is substantially higher than 30.8 percent recorded in the Tenth Plan.

3. The major thrust of the plan will be on social sector, including agriculture and rural development.

4. Important targets include reducing poverty by 10 percentage points, generating 7 crore new employment opportunities and ensuring electricity connection to all villages.

5. More investment on infrastructure sector including irrigation, drinking water and sewage from 5 percent of Gross Domestic Product (GDP) in 2005-06 to 9 percent by 2011-12.

Main Targets of the Eleventh Plan:

ADVERTISEMENTS:

(a) Income and Poverty:

- i. Accelerate GDP growth from 8% to 10% and then maintain at 10% in the 12th plan in order to double per capita income by 2016-17.
- ii. Create 70 Million new work opportunities.
- iii. Reduce educated unemployment to below 5%.

ADVERTISEMENTS:

- iv. Reduce poverty by 10 percentage points.

(b) Education:

- i. Reduce dropout rates of children from elementary school from 52.2% in 2003-04 to 20% by 2011-12.
- ii. Increase literacy rate for persons of age 7 years or more to 85%.

ADVERTISEMENTS:

- iii. Lower gender gap in literacy to 10 percentage points.

(c) Health:

- i. Reduce infant mortality rate to 28 and maternal mortality ratio to 1 percent 1000 live births.
- ii. Reduce Total Fertility rate to 2.1.
- iii. Reduce malnutrition among children of age group 0-3 to half its present level.

(d) Infrastructure:

- i. Ensure electricity connection to all villages by 2009 and round-the-clock power.
- ii. Increase forest and tree cover by 5 percent points.
- iii. Attain World Health Organization standard of air quality in all major cities by 2011-
- iv. A telephone in every village by November 2007.
- v. Broadband connectivity to all villages by 2011-12.

Growth Target:

According to the Eleventh Plan documents the task of achieving an average growth rate of around 9 percent in the 11th plan is macro economically feasible. In fact, the scenarios show that even 10 percent growth rate is achievable with a strong fiscal effort that is difficult but not impossible.

However, to achieve a more inclusive growth, substantial resources would have to be directed to setting right the neglect of rural infrastructure and provide education and health services to all. While these outlays will eventually lead to faster growth.

15. Twelfth Five Year Plan:

- I. Its duration is from **2012 to 2017**, under the leadership of **Manmohan Singh**.
- II. Its main theme is “**Faster, More Inclusive and Sustainable Growth**”.
- III. Its growth rate target was 8%.

The NDA government has dissolved the Planning Commission with the NITI Aayog. Thus, there will be no thirteen Five Year Plan, however, the five-year defence plan is still made. It is important to note that the documents of the NITI Aayog have no financial role. They are only policy guide maps for the government.

The three-year action plan only provides a broad roadmap to the government and does not outline any schemes or allocations as it has no financial powers. Since it doesn't require approval by the Union Cabinet, its recommendations are not binding on the government

12th Five-Year Plan (India)

12th Five Year Plan of the [Government of India](#) (2012–17) was India's last Five Year Plan.^[1]

With the deteriorating global situation, the Deputy Chairman of the Planning Commission [Mr Montek Singh Ahluwalia](#) has said that achieving an average growth rate of 9 per cent in the next five years is not possible. The final growth target has been set at 9% by the endorsement of plan at the [National Development Council](#) (NDC) meeting held in [New Delhi](#).

Twelfth Five Year Plan (2012-2017) was launched with the objective of faster, sustainable and more inclusive **growth**. It aimed to increase the GDP at a faster pace such that each strata of the society is a part of and contributed to the **growth** and hence foster an environment of inclusive **growth** which is sustainable.

12th Five Year Plan of the Government of **India** (2012–17) was **India's** last **Five Year Plan**. ... The approached paper for the **12th Plan**, approved last **year**, talked about an **annual** average growth rate of 9 per cent.

Though the 12th Plan outlay was Rs. **10,029** crore, only Rs.3,066.60 crore had been allocated. Premier institutes such as Indian Council of Medical Research (ICMR) have had to bear the brunt too. Its 12th Plan outlay was Rs.**4,770** crore, which was also the actual cost of schemes and projects approved by the cabinet.²⁸ [EPJ](#), 2016

Twelfth Plan (2012–2017) The **Twelfth Five-Year Plan** of the Government of India has been decided to achieve a growth rate of 8.2% but the National Development Council (NDC) on 27 December 2012 approved a growth rate of 8% for the **Twelfth Plan**.

"It is not possible to think of an average of 9 per cent (in 12th Plan). I think somewhere between 8 and 8.5 per cent is feasible", Mr Ahluwalia said on the sidelines of a conference of State Planning Boards and departments. The approached paper for the 12th Plan, approved last year, talked about an annual average [growth rate](#) of 9 per cent.

"When I say feasible...that will require major effort. If you don't do that, there is no God given right to grow at 8 per cent. I think given that the [world economy](#) deteriorated very sharply over the last year...the growth rate in the first year of the 12th Plan (2012-13) is 6.5 to 7 per cent."

He also indicated that soon he would share his views with other members of the commission to choose a final number (economic growth target) to put before the country's NDC for its approval.

Though the 12th Plan has taken off, it is yet to be formally approved. The [Planning Commission](#) set a deadline of September for taking the approval of the NDC. The council is expected to meet after July, subject to the convenience of the [Prime Minister](#). It is mainly focused on health. The status of the 12th Plan is in question due to the dissolution of the Planning Commission.

The government intends to reduce poverty by 10 per cent during the 12th Five-Year Plan. Mr Ahluwalia said, "We aim to reduce poverty estimates by 2 per cent annually on a sustainable basis during the Plan period".

According to the [Tendulkar](#) methodology, the percentage of population below the [poverty line](#) was 29.8 per cent at the end of 2009–10. This number includes 33.8 per cent in the rural areas and 20.9 per cent in the urban areas.

Earlier, addressing a conference of State Planning Boards and Planning departments, he said the rate of decline in poverty doubled during the 11th Plan. The commission had said, while using the [Tendulkar poverty line](#), the rate of reduction in the five years between 2004–05 and 2009–10, was about 1.5 percentage points each year, which was twice that when compared to the period between 1993–95 to 2004–05.^[2]

Twelfth Plan (2012–2017) The **Twelfth Five-Year Plan** of the Government of India has been decided to achieve a growth rate of 8.2% but the National Development Council (NDC) on 27 December 2012 approved a growth rate of 8% for the **Twelfth Plan**.

The aim of the **12th Five Year plan** is to achieve “faster, sustainable and more inclusive growth”. For this purpose it seeks to achieve 4% growth in agriculture sector and 10% in manufacturing sector.

Achievements of Planning:

- A Higher Growth Rate:
- Growth of Economic Infrastructure:
- 3. Development of Basic and Capital Goods Industries:
- Higher Growth of Agriculture:
- Savings and Investment:
- Inadequate Growth Rate:
- Whither **India's** Socialistic Society:
- Economic Inequality and Social Injustice:

HEALTH :

Health should be viewed as not merely the absence of disease but as a state of complete physical, mental and social well-being. The determinants of good health are: access to various types of health services and an individual's lifestyle choices, personal, family and social relationships. The latter are outside the scope of this Chapter. The focus in this Chapter is on the strategy to deliver preventive, curative and public health services. Other sectors that impact on good health, such as clean drinking water and sanitation are dealt with in other Chapters of the Plan.

AN OVERVIEW :. At present, India's health care system consists of a mix of public and private sector providers of health services. Networks of health care facilities at the primary, secondary and tertiary level, run mainly by State Governments, provide free or very low cost medical services. There is also an extensive private health care sector, covering the entire spectrum from individual doctors and their clinics, to general hospitals and super speciality hospitals.

As an input into formulating the Twelfth Plan strategy, it has relied on the High Level Expert Group (HLEG) set up by the Planning Commission to define a comprehensive strategy for health for the Twelfth Five Year Plan. The Group's report is accessible on the web site of the Planning Commission. In addition, wide consultations have been held with stakeholders and through Working Groups and Steering Groups. Based on the HLEG report and after extensive

consultations within and outside the Government, as well as a close review of the actual performance of the sector during the Eleventh Plan period, a new strategy for health is being spelt out in the Twelfth Plan towards rolling out Universal Health Coverage—a process that will span several years. The consensus among stakeholders is that the magnitude of the challenge is such that a viable and longer term architecture for health can be put in place only over two or even three Plan periods. However, a start must be made towards achieving the long term goal immediately.

INFORMATION TECHNOLOGY IN HEALTH : Information Technology can be used in at least four different ways to improve health care and systems: 1. Support public health decision making for better management of health programmes and health systems at all levels 2. Support to service providers for better quality of care and follow up 3. Provision of quality services in remote locations through Tele-medicine 4. Supporting education, and continued learning in medicine and health .

NATIONAL HEALTH MISSION (NHM). The Prime Minister in his Independence Day speech, 2012 had declared: ‘After the success of the National Rural health Mission, we now want to expand the scope of health services in our towns also. The National Rural Health Mission will be converted into a National Health Mission (NHM) which would cover all villages and towns in the country. The gains of the flagship programme of NRHM will be strengthened under the umbrella of NHM which will have universal coverage. The focus on covering rural areas and rural population will continue.

Scheduled Tribes: Strategy for the Twelfth :. The perpetuation of socio-economic backwardness among the STs, inspite of the efforts made so far, presents a formidable challenge demanding effective and result-oriented steps in every developmental sector in the Twelfth Plan. The approach of the Twelfth Five Year Plan must be to achieve overall improvement in the socio-economic conditions of the Scheduled Tribes. To this end the following must be key elements: • Relaxing the normative prescriptions about taking up a programme or a scheme in the Tribal majority areas. • Administrative strengthening of the implementing agency so as to enable taking up implementation of these programmes in the scheduled/tribal areas. This may also require a clear cut personnel policy with regard to posting of officials in those positions, fixity of their tenure and incentivising these officials for having rendered their services in those areas for a prescribed period.

SCSP and TSP: Strategy for the Twelfth Plan: Towards a Paradigm Shift: From ‘Post-facto Accounting’ to ‘Pro-active Planning for SCSP/TSP’

In keeping with the objective of more inclusive growth, steps will be taken to reform the Scheduled Caste Sub-Plan (SCSP) and the Scheduled Tribe Sub-Plan (TSP). These Plans have the potential

to become effective mechanisms in closing the development gap between the Scheduled Castes, Scheduled Tribes and other sections of the society. Towards this goal, the Twelfth Plan proposes a set of key implementation measures to strengthen the SCSP/TSP planning process.

OBCs and the Twelfth Five Year Plan; the Way Ahead Educational Development 24.151. For ensuring educational development amongst OBCs, schemes for providing scholarships for pursuing Pre-Matric, Post-Matric and other higher education, supported with hostel facilities will be taken up on priority basis. Appropriate revision of the Pre-Matric Scholarship Scheme in respect of the sharing pattern of assistance (being raised from 50 per cent to 100 per cent), rate of scholarships and parent/guardian income limit for eligibility (from `44,500 p.a. to `1 lakh p.a.) will be given priority in the Twelfth Five Year Plan. Hostel facilities for boys and girls which are at present very limited and inadequate would be increased substantially.

National Overseas Scholarship Scheme for OBCs could also be formulated similar to those for SCs and STs so that OBC students can also go abroad for educational and professional courses which are generally not available in the country. There is a demand for Rajiv Gandhi National Fellowship (RGNF) scheme on the pattern available to the SC and ST students to be introduced for OBC students during the Twelfth Five Year Plan.

Economic Development :. To meet the marketing needs and to facilitate providing a marketing platform for artisans and handicraft persons belonging to OBCs, a Marketing Federation on the lines of TRIFED may be set up. The main activities of the Federation would include cluster development of the artisans engaged particularly in arts and craft, training for upgradation of their skills, exhibition of their products to showcase their work both in India and abroad, opening of marketing outlets to appreciate, reward and popularise successful models which can be replicated by others and establishing a brand name for the products to be sold under the proposed Marketing Federation.

EMPOWERMENT OF MINORITIES:. The Indian Constitution is committed to the ideas of equality and protection and assurance of rights of minorities, which cover five religious communities, viz., Muslims, Christians, Sikhs, Buddhists and Zoroastrians (Parsis). These communities accounted for 18.4 per cent of the population in 2001. The largest proportion was Muslims (13.4 per cent), followed by Christians (2.3 per cent), Sikh (1.9 per cent), Buddhists (0.8 per cent) and Zoroastrians (0.0069 per cent). Depending on their distribution across States, these communities may actually be a 'majority' in some States, for example Muslims are in majority in the Union Territory of Lakshadweep and in the State of Jammu and Kashmir as are Christians in Nagaland (90 per cent), Mizoram (87 per cent) and Meghalaya (70.03 per cent) and Sikhs in Punjab (60 per cent).

Plan Strategy for Twelfth Plan The major focus in the Twelfth Plan will be the consolidation, expansion and strengthening of the various programmes into comprehensive coordinated systems

to fulfill the aspirations of these vulnerable sections of the society. The Twelfth Plan approach and strategy sector-wise is briefly given in the subsequent paragraphs.

As a general rule, the elderly do not want to be separated from their homes and familiar surroundings and prefer to live in their own homes. But due to the widening generation gap, most elders feel lonely and need the company of peers and elders association, for active participation in life enriching activities. For such elders, day care/enrichment centre provides a meeting place to fulfill their physical, emotional and social needs and for spending their day in a meaningful way. Therefore, efforts need to be made to ensure that day care/enrichment centres for the elders receive focused attention under the scheme of Integrated Programme for Older Persons (IPOP). The scheme of IPOP needs to be revised to make it more effective so that all facilities can be provided to the elders, for example day care/enrichment centres and so on.

With the rising demand for caregivers and also to ensure quality of service of personnel employed in old age homes funded under IPOP, there has been manifold increase in training activities. Regional Resource and Training Centres (RRTCs) funded under IPOP can play an important role in this direction. Existing RRTCs funded under the IPOP need to be strengthened. In addition, steps should be taken to ensure that at least one RRTC is established in every State during the XII Plan.

A new National Policy on Senior Citizens will be formulated and implemented during the XII Plan period focusing on the following areas:

1. Mainstreaming of all the senior citizens, especially the older women and bring their concerns into the national development debate.
2. Promote the concept of 'Ageing in Place' or ageing in own home.
3. It should recognise that care of senior citizens has to remain vested in the family which would partner the community, government and the private sector. Institutional care should be the last resort.
4. Schemes should be formulated for providing housing, income-security, homecare services, old age pension, access to healthcare, insurance schemes and other programmes and services to facilitate and sustain the concept of dignity in old age. The thrust of the policy would be preventive rather than curative.
5. Keeping in view the rising longevity of our population, there is a need to focus on all aspects of care for the Oldest Old (80+ years) namely, social, financial, health care and the need for shelter.
6. Since India is a signatory to the Madrid Plan of Action and Barrier Free Framework, the Policy will aim to work towards an inclusive, barrierfree and age-friendly society.
7. Recognise that senior citizens are a valuable resource for the country and create an environment that provides them with equal opportunities, protects their rights and enables their full participation in society.

8. Long term savings instruments and credit activities will be promoted to reach both rural and urban areas.

9. Employment in income generating activities after superannuation will be encouraged.

10. Organisations that provide counselling, career guidance and training services will be supported and assisted.

11. The Maintenance and Welfare of Parents and Senior Citizens Act, 2007 will be implemented effectively and Tribunals will be set up so that elderly parents, unable to maintain themselves, are not abandoned and neglected.

12. States will set up homes with assisted living facilities for abandoned senior citizens in every district of the country and will set apart adequate budgetary support for this purpose

PLAN OUTLAY 24.253. In the Twelfth Plan, a tentative Gross Budgetary Support of `32,684 crore has been earmarked for the Ministry of Social Justice and Empowerment for the welfare and development of SCs, OBCs, DNTs, PwDs and other vulnerable groups. Similarly, tentative allocations of `7,746 crore and `17,323 crore have been made for the Ministry of Tribal Affairs and Ministry of Minority Affairs, respectively for the welfare and development of STs and Minorities. The allocation indicated for the Ministry of Tribal Affairs does not include SCA to TSP and grant-in-aid under Article 275 (1) of the Constitution. In addition to this, social welfare programmes receive Plan financial Support from the State sector as well.

NOTES 1. National Committee on Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, Ministry of Environment and Forest, December, 2010. 2. Six categories of communities were identified under CTA 1871. These included: (i) petty traders moving from village to village selling commodities like salt, forest produce on animal's back; (ii) entertainers through public performance such as musicians, dancers, singers, storytellers, acrobats, gymnasts, puppeteers and tightrope walkers and so on; (iii) entertainers with the help of performing animals; (iv) pastoral groups, hunters, gatherers, shifting cultivator communities and so on; (v) artisans working with bamboo, iron, clay and so on; and (vi) nomadic individuals who subsist on charity, fortune telling, traditional faith healing services and so on.

Twelfth Five Year Plan CONCLUSION ∴ The Twelfth Plan faces a colossal task of putting in place a basic architecture for health security for the nation. It must build on what has been achieved through the NRHM and expand it into a comprehensive NHM. Since the primary responsibility for health care rests with the States, the strategy needs to effectively incentivise State Governments to do what is needed to improve the public health care system while regulating the private health care system, so that together they can work towards addressing the management of delivery of preventive, promotive, curative and rehabilitatory health interventions. This is not a task that can be completed within one Plan period. It will certainly span two or three Plan periods, to put the basic health infrastructure in place.

India's Eleventh Five-Year Plan (2007-2012)!

The National Development Council (NDC) has approved the Eleventh Plan on 19th December 2007 to raise the average economic growth rate to 9 percent from 7.6 percent recorded during the Tenth Plan.

The total outlay of the Eleventh Plan has been placed at Rs.3644718 crore which is more than double of the total outlay of the previous Tenth Plan.

In this proposed outlay, the contribution of Central Government and State governments will be Rs.2156571 crore and Rs. 1488147 crore respectively. In order to make growth more inclusive, the Eleventh Plan proposes to increase the agriculture sector growth rate to 4 percent from 2.13 percent in the Tenth Plan.

The growth targets for industry and services sectors have been pegged at 9 to 11 percent. The industrial growth rate in the Tenth Plan was 8.74 percent, which the services sector grew by 9.28 percent. The basic theme of this plan period is "Inclusive Growth".

Salient Features of Eleventh Plan:

1. The investment rate has been proposed to be raised to 36.7 percent from 30.8 percent in the previous plan.
2. The draft document has envisaged a savings rate of 34.8 percent, which is substantially higher than 30.8 percent recorded in the Tenth Plan.
3. The major thrust of the plan will be on social sector, including agriculture and rural development.
4. Important targets include reducing poverty by 10 percentage points, generating 7 crore new employment opportunities and ensuring electricity connection to all villages.
5. More investment on infrastructure sector including irrigation, drinking water and sewage from 5 percent of Gross Domestic Product (GDP) in 2005-06 to 9 percent by 2011-12.

Main Targets of the Eleventh Plan:

(a) Income and Poverty:

- i. Accelerate GDP growth from 8% to 10% and then maintain at 10% in the 12th plan in order to double per capita income by 2016-17.
- ii. Create 70 Million new work opportunities.
- iii. Reduce educated unemployment to below 5%.

iv. Reduce poverty by 10 percentage points.

(b) Education:

i. Reduce dropout rates of children from elementary school from 52.2% in 2003-04 to 20% by 2011-12.

ii. Increase literacy rate for persons of age 7 years or more to 85%.

iii. Lower gender gap in literacy to 10 percentage points.

(c) Health:

i. Reduce infant mortality rate to 28 and maternal mortality ratio to 1 percent 1000 live births.

ii. Reduce Total Fertility rate to 2.1.

iii. Reduce malnutrition among children of age group 0-3 to half its present level.

(d) Infrastructure:

i. Ensure electricity connection to all villages by 2009 and round-the-clock power.

ii. Increase forest and tree cover by 5 percent points.

iii. Attain World Health Organization standard of air quality in all major cities by 2011-

iv. A telephone in every village by November 2007.

v. Broadband connectivity to all villages by 2011-12.

Growth Target:

According to the Eleventh Plan documents the task of achieving an average growth rate of around 9 percent in the 11th plan is macro economically feasible. In fact, the scenarios show that even 10 percent growth rate is achievable with a strong fiscal effort that is difficult but not impossible.

However, to achieve a more inclusive growth, substantial resources would have to be directed to setting right the neglect of rural infrastructure and provide education and health services to all. While these outlays will eventually lead to faster growth.

Objectives: The Eleventh Five Year Plan aims to achieve improved quality of life for the citizens of the state and contribute to the larger national goals of socio-economic development. This will require faster and more equitable social and economic development of the state. Accordingly, the objectives for the Eleventh Five Year Plan are spelt out as under:-

- To achieve an overall growth rate of 7.6%. This is envisaged to be achieved through 5% growth in agriculture and allied sectors, 10% growth in industry and 8% growth in service sector.
- To reduce poverty levels from 38% to 25%
- To achieve the literacy rate of 84% by the end of the Plan and reduce gender gap in literacy to 14%.
- To achieve reduction in drop out rate from 46.8% in 2003-04 to 20% by 2011-12 and eliminate gender disparity in elementary education.
- To bring down population growth rate to 1.62% by 2012.
- To improve health parameters-reduce Maternal Mortality Ratio (MMR) to 125, IMR to 40 and TFR to 2.4 so as to bring them near the all India level.
- To improve the sex ratio (0–6 years) to 950 females per 1000 males.
- To reduce malnutrition to 30% and anemia to 30%.
- To provide sustainable access to safe potable drinking water to all independent habitations.
- To empower women through their socio-economic development and increased participation in decision making on matters that directly affect them.
- To strengthen social, economic and political empowerment of weaker sections of the society through welfare of SCs/STs, OBCs, minorities and poor.
- To expand present irrigation facilities at least by 10.61 lakh hectares through conservation, efficient utilization and development of water resources.
- To develop strong infrastructure of power to provide adequate and improved quality of power to all the villages and meet the peak demand.
- To provide a minimum single connectivity by all weather BT roads to all villages with population over 1000 in general and 500 in tribal areas.
- To encourage use of information and communication technologies to bridge digital divide, generate employment, have e-governance and prepare the state to be a knowledge economy.

The order of above objectives does not reflect the order of priorities. All the objectives are important, internally consistent and mutually reinforcing.

Agriculture and allied activities: They are the main stay of state's economy not only because they contribute about 26% of state domestic product but more so because they employ about 71% of the total work force. Improvement in agriculture growth is necessary for greater equity as also to provide market for industry and services. To achieve 5% rate of growth through this sector, the plan aims at increasing productivity through inputs like more irrigation in rain fed areas, improved seeds with increased seed replacement rate, increased and balanced use of fertilizers, encouraging organic farming through use of organic and green manures, bio-pesticides and bio-fertilizers, creating protective irrigation and improving water harvesting through micro-minor, improving ground water recharge through water conservation campaign, construction of 34 field ponds (Balram Talaab etc.)

Forest: M.P. has the largest forest cover amongst all the states in the country and is at the forefront of national efforts to conserve India's rich and varied biodiversity. They are like ecological factories providing the country with numerous tangible and intangible benefits.

Poverty reduction: Efforts at reduction of poverty will require multisectoral interventions to create on farm and off-farm employment opportunities, value addition in agriculture, food processing and forestry sector etc. and better targeting of resources.

Rural Development: One of the key goals would be to bring down the proportion of people below poverty line to 25% by the end of Eleventh Plan. This will be done through effective implementation of various Centrally Sponsored Schemes like NREGS, SGSY, SGRY, IWDP, DPAP etc. and externally funded programmes of DPIP and MPRLP, and state's SGSY programme. The state has been a front runner in implementation of NREGS providing wage employment of 1,485.72 lakh mandays in 2006-07 by December, 2006.

Rural Housing: There are nearly 37.5 lakh families without a house or have a thatched kutcha house. In spite of the programme being under Bharat Nirman, the state receives an allocation for constructing only 46,000 houses, which is even less than the allocation to Kerala, even though Kerala is a smaller and more prosperous state

Urban Development: During next 5 years, in urban sector, the Government would mainly concentrate on urban infrastructure development, solid waste management, water supply schemes slum development etc.

Irrigation: Only about 37% of the net sown area has irrigation facility leaving large population of farmers particularly the small and marginal farmers to the vagaries of monsoon. The broad strategy and priorities proposed for the Eleventh Plan are to complete ongoing projects, make much more effective use of irrigation facilities created both from existing and new schemes, and to improve and restore old irrigation schemes

Energy: The present installed capacity of MPSEB as on 31.3.2006 is 2,990.45 MW comprising of 2,147.5 MW Thermal and 842.95 MW Hydel 38 capacities. Further, it has a share of 1,665.85 MW in the central sector projects and additional allocation of 50 MW is available from EREB. Apart from the above, 1,000 MW from Indira Sagar HEP and 712.5 MW share as on 31.3.2006 from Sardar Sarovar HEP (Inter State) from NVDA is available. The total available power from MPSEB and NVDA is anticipated to be 5509.45 MW at the end of the tenth plan. Further it is proposed to reduce the T&D loss from 40.16% to 31.46% by the end of the Eleventh Plan. Proposals have been posed under APDRP-II and to PFC for improvement in distribution system. Electrification of villages and households will be taken up through Rajeev Gandhi Grameen Vidyutikaran Yojana (RGGVY). Proposals of about Rs. 2,500 crores, for all the districts have been submitted to the GOI for sanction.

Education:

Elementary Education: The strategy in the education sector would be to consolidate the gains of the Tenth Plan under SSA to meet the objectives of increase the literacy rate to 84%, reduce the

drop-out rates and reduce the gender gap in school education and literacy by the end of the Eleventh Plan. The state has made tremendous gains in terms of enrolment (nearly 100%) of children in primary schools. A total of 1,12,74,071 children have been enrolled in primary schools and 42,53,269 children have been enrolled in upper primary schools. However a major challenge for the state continues to be addressing the issue of quality education. It is proposed to improve the physical infrastructure and basic amenities like toilets and drinking water in all schools, make effective use of Information and Communication Technology (ICT) in Education, and give special focus on disadvantaged children and children with special needs.

Secondary Education: The successful implementation of Sarva Shiksha Abhiyan (SSA) has resulted in increased number of pass-outs of Class 8 and big demand for expansion of secondary education facility in the state. In the coming years, the completion rate in elementary education will increase and there will consequently be more children who will require secondary education facility. Expansion of secondary education facility, providing quality education, promoting girl's education to bridge the gender gap, improve infrastructure facilities and use of ICT in secondary school education are the key objectives for secondary education.

Health: The state is still considered as one of the backward states the at the national level in respect of health indices. The maternal mortality and infant mortality rates in the state are very high as compared to the other states in the country. The Eleventh Plan for Health Sector is basically devoted to lower the IMR, MMR and to reduce the fertility rate. The Janani Suraksha Yojana under NRHM is being implemented effectively to enhance institutional deliveries to reduce the maternal and infant deaths. The two schemes like Prasav Hetu Parivahan avam Upchar Yojana and Vijaya Raje Janani Kalyan Yojana are also being implemented to enhance institutional deliveries. These efforts have helped to increase the institutional deliveries in the state from 26% to 50%. Private institutions are also being accredited for rendering maternal and child care and delivery service.

Water Supply and Sanitation: One key objective for this sector in the Eleventh plan is to provide safe and adequate drinking water to all the habitations in the state. Coverage of all rural habitations by safe and potable drinking water is an important component of Bharat Nirman Programme. All the 1,26,172 habitations as per the survey of 2003 in the State, which have been identified as independent habitations are to be supplied with adequate potable water. It is proposed to cover the remaining nearly 1,000 NC habitations and 10 thousand P.C. habitations under rural water supply schemes. Similarly, 1163 schools are proposed to be covered under safe drinking water facility. The habitations facing the serious problems of fluoride, nitrate, salinity, and iron contamination will also be provided with safe drinking water with alternative safe sources.

Welfare of SC/ST: Social, economic and educational development and empowerment of socially disadvantaged groups and bringing them at par with the rest of the society is a high priority for the

state government. Education is one of the most important instruments of social and economic empowerment. Schemes for the educational upliftment of SC/ST have borne fruits but still the gap between the general and SC/ST population is at un-acceptable levels.

Women and Child Development: The state government accords high priority to socio-economic development of women so that they become equal partners in development process. The Government is introducing gender budgeting in 13 departments in 2007-08 to assess the allocation of resources gender-wise and to see the impact of policies and programmes on gender. The government has been providing free textbooks, uniforms, scholarships and free bicycles to girl children entering classes VI and IX.

The State has one of the highest levels of malnutrition among children and anemia in women in reproductive age group in the country. To prevent, control and manage malnutrition amongst children, the state government launched the state-wide Bal Sanjivani campaign. Under the campaign, the weight of all children below 5 years is monitored at 6 month's interval to track their growth.

This is followed by focused attention on severely nourished and malnourished children through nutritional and health counseling, and treatment under Bal Shakti programme. Under Bal Shakti programme, severely malnourished children of grade 3 and grade 4 are provided free medical treatment through hospitalization and during the period of hospitalization, the parents of the malnourished child are imparted nutrition and health counseling. As a result of this campaign, severe malnutrition in the state came down dramatically from 5.7% in the year 2001 to 0.96% by 2006. Vitamin A is also being provided to children during this campaign. To reduce anemia, IFA Tablets are being provided to women and adolescent girls. Deworming is periodically done among school going children. To improve the access and quality of services and nutrition inputs under ICDS, the state government has decided to allow Self Help Groups (SHGs) and Mother's Committees to provide a larger variety menu (17 items) as supplementary nutrition to children and pregnant and lactating mothers at enhanced cost of @ Rs.2/- per beneficiary.

Special Nutrition Program in 1000 villages: A new scheme under nutrition programme "Adiwasi Kshetron Mein Vishesh Poshan Aahar Yojna" is being introduced in the Eleventh Five Year Plan to provide nutritional food three times a day to severely malnourished children registered in Anganwadi centres in identified malnourished clusters of 25 villages each in tribal areas of certain districts.

These Anganwadi centres will remain open for 6 hours instead of 4 hours a day. Approximately Rs.8.5 crores per annum will be spent on the scheme

Transport: The social, economic and poverty profile of M.P. is such that the quality of infrastructure is a bottleneck for more rapid and equitable growth in the state, and thereby growth

in human development. The infrastructure backward regions also correspond to where the poorest reside, and the human development deficit is maximum. Improving the rural connectivity and quality of road network is thus a key priority of the state government.

Infrastructure for network connectivity: The State Wide Area Network (SWAN) project to provide the necessary network infrastructure and connectivity to all Blocks with the District headquarters, all District Headquarters to their Divisional Headquarters and all Divisional Headquarters to the State Headquarters has been approved by the GOI costing about Rs. 175 crores, of which the State will provide Rs. 57.51 crore. Total points of presence will be 340. Initially the connectivity at all levels will be 2MBPS, which is upgradeable on demand. Network will have Voice Over Internet Protocol (VOIP), Video-conferencing and Internet facilities. The network is expected to become fully operational in 2007-08.

Decentralised Planning: Madhya Pradesh has been a pioneer in decentralized planning. It has been getting District Plans prepared by the DPCs from 2002-03 onwards. About 37.07% of the proposed state plan outlay for Annual Plan 2007-08 has been ear-marked for district plans. The District Sector 48 outlay is allocated to various districts through a formula based on 7 points criteria like population, literacy, area etc. Each district prepares its District Plan in consultation with the PRIs and ULBs and is approved by the DPC. These plans are brought to the state level and after detailed consultations in the working groups they are approved by the State Planning Board. These approved plans are included in toto in the budget.

Rationalisation of Schemes: The State Planning Board undertook an extensive exercise to rationalize the schemes and programmes under the plan. The schemes of non-plan nature were moved to non-plan. The schemes with no or poor impact were discontinued. Schemes of similar nature and similar broad objectives were clubbed under one main scheme with multiple components that accommodate the existing schemes. As a result of this exercise, 288 schemes out of a total of 928 schemes have been either discontinued or clubbed together or moved to non-plan. A total of 218 new schemes have been proposed in the Eleventh Plan.

Strengthening Public Expenditure Management: The state has enacted the Fiscal Responsibility and Budgetary Management (FRBM) Act, 2005. The Act requires the Government to fix rolling targets for fiscal indicators including fiscal and revenue deficits. Besides ensuring fiscal discipline, the government is also keen to ensure effective and efficient utilization of allocated resources. Accordingly, outcome budget is being prepared and is placed before the State Legislature.

UNIT - V

India's Foreign Trade Policy (FTP)

Provides the basic framework of **policy** and strategy for promoting exports and **trade**. ... It is periodically reviewed to adapt to the changing domestic and **international** scenario.

Role of foreign trade in India

These days **foreign trade in India** has become an integral part of government policies. ... The government earns through the excise **duties** (import-export charges and tax), and its a major part of its overall tax collection. **Foreign trade** is also used as a tool to control the diplomatic relation between the countries.

Regulates foreign trade in India

The Directorate General of Foreign Trade (DGFT) is the agency of the **Ministry of Commerce and Industry** of the Government of India responsible for administering laws regarding foreign trade and foreign investment in India.

Country is the foreign trade of India the maximum:

The US is one of the few countries with which India has a trade surplus. The trade gap between the countries has increased to USD 17.42 billion in 2019-20 from USD 16.86 billion in 2018-19, the data showed.

Latest foreign trade policy:

The Government of India, Ministry of Commerce and Industry announced **New Foreign Trade Policy** on 01st April 2015 for the period 2015-2020, earlier this **policy** known as Export Import (Exim) **Policy**.

Controls foreign trade:

The U.S. Constitution, through the Commerce Clause, gives Congress exclusive power over **trade** activities between the states and with **foreign** countries. **Trade** within a state is regulated exclusively by the states themselves.

Top 3 Imports of India:

India main **imports** are: mineral fuels, oils and waxes and bituminous substances (27 percent of total **imports**); pearls, precious and semi-precious stones and jewelry (14 percent); electrical machinery and equipment (10 percent); nuclear reactors, boilers, machinery and mechanical appliances (8 percent); and organic ...

Main objectives of foreign trade policy:

Objectives of EXIM Policy of India

To encourage stable **economic** expansion by offering access to necessary capital goods, raw materials, intermediate products, consumables, installations, and elements essential for providing services and expanding production.

Features of foreign trade:

10 Salient Features of Foreign Trade – Explained!

- Salient Features of Foreign Trade:
- The following are the features of foreign trade:
 - (i) Change in the **composition** of exports:
 - (ii) Change in the **composition** of imports:
 - (iii) Direction of foreign trade:
 - (iv) Balance of trade:
 - (v) Dependent trade:
 - (vi) Trade through sea routes:

Composition of India's foreign trade:

The manufactured goods constitute the bulk of export over 64% in recent years, followed by crude and petroleum products (including coal) with a 20% share and agriculture allied with just 13% share.

Foreign Trade in Figures

India used to be a protectionist state for a long time, but the country has become progressively more open to international trade. Currently, trade represents 43.3% of the country's GDP. The country mainly exports petroleum oils (14.6%), diamonds (7.9%), medicaments (4%), articles of jewellery (3.8%), and rice (2.3%), while it imports petroleum oils (22.6%), gold (6.3%), diamonds (5.2%), coal and similar solid fuels (4.8%), petroleum gas and other gaseous hydrocarbons (3.7%).

India's main partners are the United States, the United Arab Emirates, Hong Kong, China, Singapore, Saudi Arabia, and Iraq. The country has recently signed free trade agreements with South Korea and ASEAN, and has entered into negotiations with several partners (EU, MERCOSUR, Australia, New Zealand and South Africa). In January 2020, India and Brazil agreed to boost trade and investment across a range of fields in each other's country and they are confident that a bilateral trade target of USD 15 billion could be set for 2022. India is currently the world's fastest-growing large economy, as well as the world's eighth largest exporter and tenth

largest importer of commercial services. However, India's trade regime and regulatory environment still remains relatively restrictive.

The country's trade balance is structurally negative, given that the country imports nearly 80% of its energy needs. India benefited from the decline in world hydrocarbon prices for its imports, which led to a slight reduction in the trade deficit up until 2016. From 2017, the trade deficit has been increasing. In 2018, India exported USD 324 billion worth of goods, while imports accounted for USD 514 billion, resulting in a negative trade balance of USD 186 billion. According to the WTO, in the same year the exports of services amounted to USD 204,5 billion, whereas the imports of services stood at USD 175,5 billion, leading to a decrease of the overall trade deficit.

Foreign Trade Values	2015	2016	2017	2018	2019
Imports of Goods (million USD)	391,977	359,065	449,925	514,464	486,059
Exports of Goods (million USD)	267,147	264,020	299,241	324,778	324,250
Imports of Services (million USD)	122,225	133,710	153,960	174,925	178,071
Exports of Services (million USD)	155,288	161,845	184,673	204,323	213,731

Source: World Trade Organisation (WTO) ; Latest available data

Foreign Trade Indicators	2015	2016	2017	2018	2019
Foreign Trade (in % of GDP)	41.9	40.1	40.7	43.4	40.0
Trade Balance (million USD)	-136,884	-107,476	-148,134	-186,692	-154,106
Trade Balance (Including Service) (million USD)	-63,249	-41,579	-72,212	-105,918	-70,375
Imports of Goods and Services (Annual % Change)	-5.9	4.4	17.4	8.6	-5.5
Exports of Goods and Services (Annual % Change)	-5.6	5.0	4.6	12.3	-1.9
Imports of Goods and Services (in % of GDP)	22.1	20.9	21.9	23.6	21.4

Exports of Goods and Services

(in % of GDP) 19.8 19.2 18.8 19.9 18.7

Source: World Bank ; Latest available data

See More Products More imports (Intracen Data)

Source: United Nations Statistics Division, 2020. Because of rounding, the sum of the percentages may be smaller/greater than 100%.

Nordea e-Markets

Up to date economic information worldwide, live quotes for financial products and foreign exchange trading platform.

Nordea

Nordea and the Nordea logo are registered trademarks. All rights reserved. Nordea Trade offers a set-content, database and tools provided and managed by Export Entreprises. The contents and services provided are, fully, the responsibility of Export Entreprises S.A. Therefore, any incident related to the contents or services must be resolved between the user and Export Entreprises S.A.; with no involvement or responsibility from Nordea Bank Abp or any of its subsidiaries

Nordea uses its own cookies as well as third-party cookies. Cookies are used to remember your preference settings, for example language, and to improve your experience as a visitor to our websites. Cookies are also used to analyse website traffic and to personalise ads in our own and third-party online media.

By using our website, you consent to this use of cookies. You can always withdraw or change your consent

India's Trade Performance India's merchandise exports reached a level of US \$ 251.14 billion during 2010-11 registering a growth of 40.49 percent as compared to a negative growth of 3.53 percent during the previous year. India's export sector has exhibited remarkable resilience and dynamism in the recent years. Despite the recent setback faced by India's export sector due to global slowdown, merchandise exports recorded a Compound Annual Growth Rate (CAGR) of 20.0 per cent from 2004-05 to 2010-11.

World Trade Scenario As per IMF's World Economic Outlook October, 2011, world trade recorded its largest ever annual increase in 2010, as merchandise exports surged 14.4 per cent. The volume of world trade (goods and services) in 2011 is expected to slow down to 7.5 per cent

compared to the 12.8 per cent achieved in 2010. Growth in the volume of world trade is expected to decline in 2012 to 5.8 per cent as per IMF projections. The IMF has moderated its growth projections of world output to 4 per cent in 2012.

The advanced economies are expected to grow at 1.9 per cent in 2012 while the emerging and developing economies to grow at 6.1 per cent. The projected growth rates in different countries are expected to determine the markets for our exports. As per WTO's International Trade Statistics, 2010, in merchandise trade, India is the 20th largest exporter in the world with a share of 1.4 per cent and the 13th largest importer with a share of 2.1 per cent in 2010. The year 2011 has been a difficult year with Japan facing a major earthquake and tsunami, the swelling of unrest in the Middle East oil producing countries, the slowing down of US economy and the Euro area facing major financial turbulence.

The current global economic slowdown has its epicenter in the Euro-region but the contagion is being witnessed in all major economies of the world. As a result, India's short-term growth prospects have also been impacted. Exports recorded a growth of 40.49 per cent during April-March 2010-11. The Government has set an export target of US \$ 300 billion for 2011-12. With merchandise exports reaching US \$ 217.66 billion in 2011-12(Apr-Dec), the export target of 300 US \$ billion is expected to be achieved. Export target and achievement from 2004-05 to 2010-11 and 2011-12 (Apr-Dec) is given in the Chart 2.1 below:

Imports Cumulative value of imports during 2011-12 (AprDec) was US \$ 350.94 billion as against US \$ 269.18 billion during the corresponding period of the previous year registering a growth of 30.4 per cent in \$ terms. Oil imports were valued at US \$ 105.6 billion during 2011-12 (Apr-Dec) which was 40.39 per cent higher than oil imports valued US \$ 75.2 billion in the corresponding period of previous year. Non-oil imports were valued at US \$ 245.35 billion during 2011-12 (Apr-Dec) which was 26.49 per cent higher than non-oil imports of US \$ 194.0 billion in previous year. Trade Balance The Trade deficit in 2011-12 (Apr-Dec) was estimated at US \$ 133.27 billion which was higher than the deficit of US \$ 96.21 billion during 2010- 11 (Apr-Dec). Performance of Exports, Imports and Balance of Trade during 2004-05 to 2011-12 (AprilDec) is given in the table below: (Values in `

Strategy for Doubling Exports Global economic outlook is a major determinant of export performance of any country. Export growth cannot, therefore, be viewed in isolation from economic outlook in the world economy. Keeping in view the urgency of managing the growing trade deficit and uncertain global economic scenario, Department of Commerce, in May 2011 finalized a Strategy Paper for doubling merchandise exports in three years from US \$ 246.00 billion in 2010-11 to US \$ 500 billion in 2013-14. Exports were envisaged to increase at compounded average growth of 26.7% per annum.

Exports by Principal Commodities Disaggregated data on exports by Principal Commodities, both in Rupee and Dollar terms, available for the period 2011-12 (April-October) as compared with the corresponding period of the previous year are given in Table 2.1, and 2.2 respectively. Exports of the top five commodities during the period 2011-12 (April-October) registered a share of 53.1 per cent mainly due to significant contribution in the exports of Petroleum (Crude & Products), Gems & Jewellery, Transport Equipments, Machinery and Instruments, Drugs, Pharmaceuticals & Fine Chemicals. The share of top five Principal Commodity Groups in India's total exports during 2011-12 (April-October) is given at Chart 2.3 below:

INDIA'S TRADE POLICY-INDIA'S FOREIGN TRADE POLICY

The Department of Commerce has the mandate to make India a major player in global trade and assume a role of leadership in international trade organizations commensurate with India's growing importance. The Department devises commodity and country-specific strategy in the medium term and strategic plan/vision and India's Foreign Trade Policy in the long run.

India's Foreign Trade Policy (FTP) provides the basic framework of policy and strategy for promoting exports and trade. It is periodically reviewed to adapt to the changing domestic and international scenario.

The Department is also responsible for multilateral and bilateral commercial relations, special economic zones (SEZs), state trading, export promotion and trade facilitation, and development and regulation of certain export oriented industries and commodities.

The current Foreign Trade Policy (2015-20) focusses on improving India's market share in existing markets and products as well as exploring new products and new markets. India's Foreign Trade Policy also envisages helping exporters leverage benefits of GST, closely monitoring export performances, improving ease of trading across borders, increasing realization from India's agriculture-based exports and promoting exports from MSMEs and labour intensive sectors. The DoC has also sought to make states active partners in exports. As a consequence, state governments are now actively developing export strategies based on the strengths of their respective sectors.

Foreign trade in India - JULY 10, 2019 BY SHESHAN PRADHAN LEAVE A COMMENT

Foreign trade plays a vital part in the economy of each country. Foreign trade helps a country to utilize its natural resources and to export its surplus production, it contributes hugely to the GDP of a country.

We are going to discuss the importance of foreign trade in India and all of its aspect.

Foreign trade in India Table of contents India's Foreign Trade Partners. India's Foreign Trade Policy (FTP) 2015-20 Exports Sector-wise Growth Rate of Exports Major Imports of India

Sector wise Growth Rate of Imports India's External Debt Concepts of External Debt

Sovereign and Non-Sovereign Debt External Commercial Borrowings

India's Foreign Trade Partners

A country can industrialize itself by importing necessary capitals such as machines and raw material from more advanced and industrialized nations. By proper control of foreign trade employment, output, price, industrialization and economic development of a country can be influenced favourably.

These days foreign trade in India has become an integral part of government policies. Every government dreams to increase its export, because it is not only beneficial for the manufacturer but also for the government. The government earns through the excise duties (import-export charges and tax), and its a major part of its overall tax collection.

Foreign trade is also used as a tool to control the diplomatic relation between the countries. By stopping the export countries show their disagreement with some issues and by decreasing the excise duties they show their interest towards another. The major examples of this were when the Pulwama attack happened India stopped every kind of export to Pakistan. Which lead to huge price hike of domestic goods in Pakistan.

According to economic survey 2017-18, among foreign trade partner the top 5 countries with which India has a negative bilateral trade balance are China, Switzerland, Saudi Arabia, Iraq, and South Korea. While the top 5 countries with which India has surplus trade balance are the United States of America, United Arab Emirates, Bangladesh, Nepal, and the United Kingdom.

Negative trade balance means when the import from the neighboring countries is higher as compared to the export. And when the export is higher then the import it is called a surplus trade balance.

India has highest trade deficit with China which means the total product which we are importing from China is much much higher then the export and the difference is increasing further. It is because such production facilities like China is not available in India. We are too dependent on their products, it is not a good sign for a developing country like India. And in order to be developed India have to develop every kind of production facilities in India itself.`

India's Foreign Trade Policy (FTP) 2015-20

The new five years foreign Trade policy 2015 20 provides a framework for increasing exports of goods and services as well as generation of employment and increasing value addition in the country in keeping with the 'Make in India' vision. The focus of the new policy is to support both manufacturing and service sector, with special emphasis on improving ease of doing business.

The government is pitching India as a friendly destination for manufacturing goods, some key features of the new foreign trade policy are

India to be made a significant participant in world trade by 2020.

Merchandise exports from India Scheme (MEIS) to promote specific services for specific markets foreign trade policy.

FTP would reduce export obligation by 25% and give a boost to domestic manufacturing and export of the product.

Industrial products to be supported in major markets rates ranging from 2% to 3%.

Branding companies planned to promote exports in sectors where India has traditional strength.

New Schemes in FTP 2015-20

PFTP 2015-20 introduces two new schemes to promote import and export they are "Merchandise Export from India Scheme (MEIS)" for export of specified goods to specified markets and "Services Exports from India Scheme (SEIS)" for increasing exports of major services, in place of previous plethora schemes, with different conditions for eligibility and usage.

Exports

India shipped the US \$261 billion worth of goods around the globe in 2016. Being one of the major exporters of the world the major products exported by India are diamond and jewelry, followed by engineering equipment, mechanical equipment, vehicles, pharmaceuticals products, Rice Spices, coffee, cotton, etc.

India's top 10 exports accounted for 59.4% of the overall value of its global shipments.

India's total Gross Domestic Product accounted to \$ 8.721 trillion as of October 2016. Therefore, exports accounted for about 3% of the total Indian economic output.

Sector-wise Growth Rate of Exports

One of the top sectors of India exports are the engineering goods it is because of the availability of the raw material. India has an immense amount of availability of steel and iron.

India has thousands of public and private steel plants. Apart from this Gujrat India has the biggest Diamond industry in the country. Due to this, it is the second most exported product of India. The complete list of major exports in India is listed below.

Engineering goods (11.1% total exports) Gems, precious metals (10.5% of total exports)

Chemical and related products (1.6%) Textiles and allied products (0.5%) Petroleum crude and products (3.1%)

Agriculture and allied products (0.3%) Electronic goods (0%) Marine products (23.8%)

Ores and minerals (61.6%) Leather and leather products (4.4%) Major Imports of India

India imported the US \$ 356.7 billion worth of goods from around the globe in 2016. Down by 8.7% from 2015 to 2016. The major imports of India are Mineral flues and petroleum products, heavy machinery, organic chemicals, fertilizers, optical readers, plastics, automobile parts, etc. Similar to export the import is also an integral part of foreign trade in India.

India's top 10 imports accounted for almost three-quarter (74.3%) of the overall value of its product) purchases from other countries. Indian imports represent 2.2% of total global imports which totaled 35 16.473 trillion one year earlier in 2015.

Sector wise Growth Rate of Imports

The product groups represent the highest value in India's import purchases during 2016. Also shown 5 the percentage share each product category represents terms of overall imports into India.

India is the second most populated country in the world and is also the second largest consumer of petroleum products as well. To fulfill its need India imports the raw oil from Iraq, Russia, and other Arabian countries.

Iraq is one of the goods allies of India and an important foreign trade partner as well. The demand for gems and jewelry is very high in India, it is purchased by almost every Indian household, they keep it as an asset. The complete list of goods imported by India is given below.

Petroleum oil and lubricants (4.8%) Capital goods (0.1%) Gems and jewellery (4.9%)

Chemicals and related products (5.8%) Electronic goods (4.8%) Agriculture and allied products (11.4%) Ores and minerals (4.6%)

India's External Debt

India is one of the highest indebted countries in the world in terms of total debt outstanding. Gross external debt is defined, at a point of time, as “ The outstanding amount of that actual current and not contingent liabilities that require payments of principal and interest by the debtor at same points in the future and that are owed to nonresidents by residents of an economy.”

India's external debt stock at end-March 2015 stood at the US \$ 475.8 billion recordings an increase of 6.6% over end March 2014. The rise in external debt is largely due to higher NRI deposits. The external debt also influences foreign trade in India.

The maturity profile of India's external debt indicates the dominance of long-term borrowings. Long-term external debt accounted for 76.9% of the total external debt, while the remaining 23.1% was short-term debt.

Concepts of External Debt Sovereign and Non-Sovereign Debt Sovereign Debt is also known as government debt and nonsovereign debt is called non-government debt.

Sovereign debt includes all the external debt outstanding on account of loans received by Government of India, under the external assistance program and a civilian component of rupee debt.

Other government debt comprising borrowings from IMF, defense debt component of rupee debt as well as foreign currency defense debt. FII in Government Securities. Non-sovereign includes the remaining components of external debt. All other debt is non-sovereign debt.

External Commercial Borrowings

The definition of commercial borrowing includes loans from Commercial Banks, other commercial financial institutions, money raised through the issue of securitized instruments like bonds including India Development Bonds (IDBs) and Resurgent India Bonds (RIBS), Floating Rate Notes (FRN), etc.

It also includes borrowings through buyers' credit and supplier credit mechanism of the concerned countries International Finance Corporation, Washington, Nordic Investment Bank, and private sector borrowings from the Asian Development Bank.

During good times, domestic borrowers could enjoy triple benefits of lower interest rate and longer maturity. A sharp depreciation in local currency would mean a corresponding increase in debt service liability, as a more domestic currency would be required to buy the same amount of foreign exchange for debt service payments.

This would lead to erosion in profit margin and have a market to market implications for the corporate. There would also be a debt overhang problem, as the volume of debt would rise in local currency terms.

Globalization means the speedup of movements and exchanges (of human beings, goods, and services, capital, technologies or cultural practices) all over the planet. One of the effects of globalization is that it promotes and increases interactions between different regions and populations around the globe

There are three main classifications of globalisation for the A-level politics student: political, social and economic.

Political globalisation. Political globalisation refers to the amount of political co-operation that exists between different countries. ... Social globalisation. ... Economic globalisation.

The most important causes of globalization differ among the three major components of international market integration: trade, multinational production, and international finance. ... Although the one-time Ricardian gains from freer trade are clear, whether trade is good for growth in the medium term is less certain

Globalization allows many goods to be more affordable and available to more parts of the world. It helps improve productivity, cut back gender wage discrimination, give more opportunities to women and improve working conditions and quality of management, especially in developing countries.²

Also, globalisation has increased international migration which has resulted in multicultural societies. However, globalisation is also affecting us in a negative way. Increased transportation and the global shift of polluting manufacturing industries has resulted in environmental degradation.

Benefits of Globalization:

Access to New Cultures. Globalization makes it easier than ever to access foreign culture, including food, movies, music, and art. ...

The Spread of Technology and Innovation. ...Lower Costs for Products. ...Higher Standards of Living Across the Globe. ...Access to New Markets. ...Access to New Talent.

Example: Globalization is growth on a worldwide scale. It is the process of integration and international influence of economies and cultures. In the examples of globalization below, you'll see that it's not only an exchange of goods, but also an exchange of ideas and even anti-terrorist protections.

Globalization Policy: Globalization is a process of interaction and integration among the people, companies, and governments of different nations, a process driven by international trade and investment and aided by information technology. ... Likewise, for centuries, people and corporations have invested in enterprises in other countries.

Affect Culture : The major consequences of globalization have been: the transmogrification of traditional religions and belief systems; the beginning of the disintegration of the traditional social fabrics and shared norms by consumerism, cyber-culture, newfangled religions and changing work ethics and work rhythms; the fast spreading ..

Cause and effect of globalization: First of all the principal cause and effect of globalization is international trade, which has expanded substantially. ... While growing trade has generally created more jobs, the parallel growth in competition has forced many companies to fire their workers in order to cut costs, boost efficiency and increase profit.

Negative effect of globalization: It has had a few adverse effects on developed countries. Some adverse consequences of globalization include terrorism, job insecurity, currency fluctuation, and price instability.

Evidence suggests that globalisation has a positive effect on the country's economic growth and employment. In particular, trade openness and foreign portfolio flows have contributed to higher per capita GDP growth in the Philippines, following the implementation of FX liberalisation reforms.

Globalization is the word used to describe the growing interdependence of the world's economies, cultures, and populations, brought about by cross-border trade in goods and services, technology, and flows of investment, people, and information