

India's economic achievements



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Economic Development is the increase in the standard of living in a nation's population with sustained growth from a simple, low-income economy to a modern, high-income economy.

Also, if the local quality of life could be improved, economic development would be enhanced.

Its scope includes the process and policies by which a nation improves the economic, political, and social well-being of its people.

Economic Development includes: –

Economic Development includes terms such as Modernization, Westernization, and Industrialization.

Economic development involves improvements in literacy rates, life expectancy rates, poverty rates, and human development including their health and education.

India has secured an important position among other nations in economic development after independence. India has completed 60 years as an independent nation in the year 2007.

We have made decent progress in several areas during the last 60 years.

The number of scientists, engineers, journalists, soldiers, bureaucrats, politicians and doctors increased as compared to the numbers before independence.

Large number of bridges and dams are also developed.

Satellites and rockets are also sent into space which is helpful in space and research development.

The population growth rate of India is 1.344% as per 2011 statistics.

The infant mortality rate also decreased to 47.57 deaths/1,000 live births.

For male: 46.18 deaths/1,000 live births and for female: 49.14 deaths/1,000 live births (2011 est.) in 2011.

The literacy rate increased from 12% to 74.04% in 2011.

We have increased life expectancy from 32 years to 66.8 years after independence where male life expectancy is 65.77 and female life expectancy is 67.97 years.

The unemployment rate as per the data of 2011 is 10.8% approx.

We have built about 1.25 million miles of new roads; we have multiplied our steel production by over 50 times and cement production by almost 20 times.

Our export has increased exports from a few million dollars at the time of independence to more than \$125 billion now, with about \$150 billion of imports.

But still there are 350 million people illiterate; 260 million people are still below the poverty line; 150 million people lack access to drinking water; 750 million people lack decent sanitation; 50% of children are below acceptable nutrition levels; and basic medicines are unavailable in 75% of villages.

Development in Agricultural Sector:-

After independence India was depended on foreign countries for food.

Dependence on other countries for food will adversely affect the development of an agricultural country. Thus in order to develop agricultural sector, different policies were framed such as:-

Use of high quality seeds, fertilizers, and machines.

Increasing irrigation facilities, soil testing facilities.

Provision for agricultural loans.

After independence, agriculture sector provided over 70 % of the country's employment and 50% of the gross national products. Agricultural development was also helpful in reducing rural poverty and providing an adequate diet to all citizens.

During Second five year plan, agricultural development was implemented through land reforms which also changed the power structure in villages, and large number of citizens participated in planning. By implementing land tenure zamindari system came to an end.

During Third five year plan, self sufficiency in food grains production and adequate buffer stock was developed by the end of 1970s. Production was more than 100 million tons in 1978 and 1979. And it was achieved till 1990s.

And during Fourth, Fifth and Sixth five year plan, more water was supplied to the fields through irrigation system and improvement was found in the quality as well as quantity of seeds and fertilizers.

Green Revolution :-

Green Revolution was initiated by Dr. M. S. Swaminathan. This revolution, was started in 1965, not only transformed India into a food-surplus economy but also triggered the expansion of the rural, non-farm economy. Due to the Green Revolution, the lives of at least 400 million to 500 million Indians have been uplifted. And India became a net exporter of food grains 10 years ago.

Development in Banking and Finance:-

Since liberalisation, the government has approved significant banking reforms. While some of these relate to nationalised banks other reforms have opened up the banking and insurance sectors to private and foreign players.

Currently, in 2007, banking in India is generally mature in terms of supply, product range and reach-even, though reach in rural India still remains a challenge for the private sector and foreign banks. In terms of quality of assets and capital adequacy, Indian banks are considered to have clean, strong and transparent balance sheets relative to other banks in comparable economies of Asia. The Reserve Bank of India is an autonomous body, with minimal pressure from the government. The stated policy of the Bank on the Indian Rupee is to manage volatility but without any fixed exchange rate.

Currently, India has 88 scheduled commercial banks (SCBs) – 28 public sector banks (that is with the Government of India holding a stake), 29 private banks (these do not have government stake; they may be publicly listed and traded on stock exchanges) and 31 foreign banks. They have a combined network of over 53, 000 branches and 17, 000 ATMs. The public

sector banks hold over 75% of total assets of the banking industry, with the private and foreign banks holding 18. 2% and 6. 5% respectively.

GDP growth rate:-

Since the economic liberalization of 1991, India's GDP has been growing at a higher rate.

Year

Growth (real) (%)

2000

5. 5

2001

6. 0

2002

4. 3

2003

4. 3

2004

8. 3

2005

6. 2

2006

8.4

2007

9.2

2008

9.0

2009

7.4

Prime Minister's Economic Advisory Council has projected the Indian economy to grow at 8.6% in 2010-11 and 9% in 2011-12 as of February 2011.

Development in Education field:-

Before independence the education system was not developed at all. But after independence from 1881-82 and 1946-47, the numbers of schools grew from 82,916 to 134,866 and the number of students grew from 2,061,451 to 10,525,943. The number of primary schools has increased from 19,200,000 in 1950-51 to 109,800,000 in 2001-02. And the number of high schools in 2000-01 was higher than the primary schools at the time of independence.

Parliament has passed the constitution 86th amendment act, 2002, to make elementary education a fundamental right for children in the age group of 6-14 years which made large increase in the rate of literacy rate

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During independence the literacy rate was 12.2% which increased to 34.45% in 1970s. And in the year of 2000 the literacy rate found was 68.84%. The overall change came is the literacy rate increased from 12% to 74.04% in 2011.

Government followed different schemes such as Sarva Siksha Abhiya and Sponsored District Education Programme for reducing illiteracy.

The Sarva Siksha Abhiya was launched in the year 2001 in order to ensure the education of the children in the age group of 6-14.

The Sponsored District Education Programme was launched in the year 1994 and has increased the number of school to 160000. Of the estimated population of 205 million in the age group 6-14 years on March 1, 2002, it was nearly 82.5%. The high drop rate has been adopted to attract children to schools is a matter of major concern. One of the most popular schemes adopted to attract children to schools in the mid-day meals program launched in 1995.

Poverty:-

Poverty is defined as failing to reach certain minimum consumption standard. Wealth distribution in India is improving since the liberalization and poverty rate has significantly reduced.

The estimates of the people below poverty line during 2004-05 are 27.5% of the Indians. A 2007 report by the state-run national commission found that 65% of the Indians, or 750 million people, lived on less than 20 rupees per day.

As per data, 27.5% of Indians still lived below the national poverty line in 2004-05, 75% of the people living below poverty line are in rural areas, and Wealth distribution is fairly uneven in India, with the top 10% of income groups earning 33% of the income.

As per the historical trends of poverty statistics, the rate of the poverty was 47.0% in the year 1951 which decreased to 44.5% during 1980s and in the year 2004-05 statistics poverty rate was reduced to 27.5%.

Government formed strategies to overcome poverty which are as follows:

To reduce poverty, the government has given importance to education, reservation of seats in government jobs, and increasing empowerment of women. And after liberalization in 1991, India is adding 60-70 million people in its middle class every year.

Rural employment program & Food for work program was launched in 1980's, which attempt to use the unemployed people to generate productive goods and build rural infrastructure.

Rural employment guarantee bill was passed in august 2005 by Parliament of India; this is the biggest program to overcome poverty in terms of cost and coverage, which promises 100 days of minimum wage employment to every rural household in 200 of India's 600 districts.

Infrastructure Development: –

After independence, development of infrastructure was completely in the hands of the public sector but was plagued by corruption, bureaucratic inefficiencies. India's low spending on power, construction, transportation,

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telecommunications, and real estate at 6% of GDP of 2002 had prevented India from sustaining higher growth rates.

At present, infrastructure has been expanding and supporting the economic growth at nearly 9%. Some of the major infrastructure project planned by the Indian government for the future is as follows:

40, 000 MW hydro power generation capacities during the 12th and 13th plan.

Modernization and redevelopment of 21 railway stations.

Modernization and redevelopment of 4 metro and 35 non-metro airports.

Constructing 165, 244 km of new rural roads.

Atomic Energy :-

Dr. Homi Bhabha conceptualized the Indian nuclear program and initiated nuclear science research in India. His program has made possible successful utilization of nuclear energy in defense, power generation, medicine and allied areas. Our peaceful use of nuclear energy has raised India's prestige as a mature and responsible player in this field.

Economic planning in India:

The pattern of economic development in India is very significantly affected by government planning. The planning machinery consists of planning commission, National development council and state planning councils.

The planning commission

The planning commission was set up in March 1950 in order to perform several functions such as:-

To make an assessment of the material, capital and human resources of the country, including technical personnel, and investigate and possibilities of augmenting such of these resources as are found to be deficient in relation to the nations requirements.

To formulate a plan for the most effective and balanced utilization of the country's resources.

To indicate those factors to the government whose prove an obstacle in the economic development.

To evaluate the from time to time the progress achieved in every stage of plan and also to suggest remedial measures.

To advise the centre and the state government from time to time on special matters referred to the commission.

National Development council:-

The national development council is headed by the prime minister and is composed of union cabinet ministers, chief ministers of states and union territories and members of planning commission.

The secretary of the planning commission acts as secretary of the NDC, and the commission is expected to provide such administrative and other support as necessary.

The major functions of the NDC are as follows:

To prescribe guidelines for the formulation of the national plan including the assessment of the resources of the plan.

To consider the national plan as formulated by the planning commission.

To consider important questions of social and economic policy affecting national development.

To review the working of the plan from time to time and to recommend such measures as are necessary for achieving the aims and targets set out in the national plan.

State plans

State plans account for about one half of the total outlay of the government under a five year plan. The subjects that come under state jurisdiction include such vital sectors of development as agriculture, small industries, irrigation and power, roads and road transport, and education and social services.

The successful implementation of the major national policy objectives depends upon the successful implementation of the state level plans.

Major Objectives of the Indian plans:

Proper utilization of the national resources in accordance of the national priorities and fast development of the economy.

Alleviation and ultimate removal of unemployment and poverty.

Improvements in the standard of living in general.

Reduce inequalities of income and wealth.

Increase production to the maximum possible extent so as to achieve higher level of national and per capita income.

Five Years Plan With Emphasis:-

First Five Year Plan (1951-1956) worked for Agricultural Sector.

Second Five Year Plan (1956-1961) worked for Basic and Heavy Industries.

Third Five Year Plan (1961-1966) worked for Export Promotion.

Fourth Five Year Plan (1969-1974) worked for Self-Reliance.

Fifth Five Year Plan (1974-1979) worked for Growth with social justice.

Sixth Five Year Plan (1980-1985) worked for the same.

Seventh Five Year Plan (1985-1990) worked for Food, work, and productivity.

Eighth Five Year Plan (1992-1997) worked for Human Development.

Tenth five year plan (2002-07): –

The tenth five year plan (2002-2007) approach paper has proposed that the plan should aim at an indicative target of 8.7% GDP growth for 2002-07. The major objectives of the tenth five year plan are as follows:

Reduction of poverty ratio to 20% percent.

Universal access to primary education.

Increase in literacy to 72 percent.

Reduction of IMR to 45 per 1000.

Reduction of MMR to 20 per 1000.

Increase in forest and tree cover by 25 percent.

Clearing of major polluted rivers by 2007.

Eleventh five year plan (2007-12): –

The major objective of the eleventh five year plan is to reduce poverty.

Other objectives are as follows:

Growth rate of 10% p. a.

Agriculture growth at 4%per year.

Growth of industrial sector to 10% and manufacturing sector to 12% p. a.

Double per capita income by 2016-17.

Reduce educated unemployment rate to below 5%.

Reduce dropout rate of school children to 20% from 52% now.

Literacy rate to be increased to 80%clean drinking water to all by 2009.

Electricity connection to all by 2009.

A telephone in every village by November 2007.

Broad band connectivity to all villages by 2011-2012.

Achieve WHO standard air quality in major cities by 2011-12.

India-vision 2020:-

Planning commission has released India vision -2020 on January 23, 2003 which presents pre-assessment of the progress of Indian economy for the Indian economy for the next two decades. This document is prepared by Mr. Shyam Prasad gupta, a member of planning commission. The salient points of the document are:

Expected annual growth rate to be 9%.

Full elimination of unemployment, illiteracy, & poverty.

Per capita income to get doubled by 2020.

1. 35 billion Population of the country to have better living conditions by 2020.

With 2% annual employment generation rate, 20 crore new employment opportunities to be created by 2020.

Cent percent registration of the children (age group 6-14) in schools.

Environment situation to be remain as unbalanced as present.

Urban population percentage to get increased from existing 25. 5% to 40%.