

NCERT SOLUTIONS CLASS-11 ECONOMICS

CHAPTER- 1

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NCERT Solutions for Class 11 Economics for chapter 1 Indian Economy on the Eve of Independence

Q1. What was the focus of the economic policies pursued by the colonial government in India? What were the impacts of these policies?

Answer: The main focus of the economic policies pursued by colonial government in India was to turn India as a feeder economy for Great Britain where the modern industrial base was rapidly expanding, which needed a wide market.

The impacts of these economic policies were as follows:

India was transformed into a net supplier of raw materials and consumer of finished industrial products from Britain.

The agricultural sector experienced stagnation and agricultural production became very low. Modern industrial base was not allowed to come up.

As a result, India failed to develop a sound industrial base. Moreover, it led to collapse of India's world famous handicraft industry.

Unemployment in the country increased and there was insignificant growth in GDP.

More than half of India's foreign trade was restricted to Britain.

All this led to the social and economic problems in India.

Q2. Name some notable economists who estimated India's per Capita income during the colonial period.

Answer: Some notable economists who estimated India's per Capita income during the colonial period were:

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

Q3. What were the main causes of India's agricultural stagnation during the colonial period?

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

System of Land Settlement- The main reason of low productivity of agriculture was the various systems of land settlements that were introduced by the British. Specially the Zamindari System in the Bengal presidency. Here the landlords were given right to the land and they had to deposit the revenue at fixed dates to the government, regardless of the condition of the crops. The Zamindars in turn gave the land to the cultivators and collected rent from them. The profit went to the Zamindars instead of cultivators. They did nothing to improve the condition of the agriculture. The landlords had no incentive to spend money on new technology, irrigation facilities or on use of fertilizers and the cultivators were too poor to improve anything. They could barely pay the rent. Sometimes it caused immense misery and social tension among them.

Commercialisation of Agriculture: In order to feed British industries with cheap raw materials, Indian farmers were forced to grow cash crops like, indigo, cotton, etc. instead of food crops like, wheat and rice. This increased the burden of revenues on the poor farmers and also led to shortage of food grains in India.

Subsistence Farming: Dependence on monsoon due to lack of irrigational facilities, low levels of technology, insignificant use of fertilizers, etc. added to the plight of poor farmers and contributed to the gloomy level of agricultural productivity.

Q4. Name some modern industries which were in operation in our country at the time of independence.

Answer: Some modern industry did start coming up in India during the latter half of the nineteenth century. But its progress remained very slow. Cotton textile mills were set up in Maharashtra and Gujarat which were mainly owned by Indians. Jute mills were concentrated in West Bengal because of easy availability of raw jute from East Bengal. These jute mills were owned by British and had a monopoly over the world jute market. Tata Iron and Steel Company started in 1907 in Jamshedpur by Jamshed Ji Tata. Few other industries like cement, sugar and paper industries came up after Second World War.

Q5. What was the two-fold motive behind the systematic de-industrialisation effected by the British in the pre-independent India?

Answer: Under the British rule, Indian handicraft industries had a major setback and no corresponding industrial base was allowed to come up. Colonial government adopted the policy of systematic de-industrialisation with the following two-fold motive:

To reduce India to the status of a sheer exporter of important raw materials to run the modern industries in Britain.

To turn India into a sprawling market for finished products of industries located in Britain.

Q6. The traditional handicrafts industries were ruined under the British rule. Do you agree with this view? Give reasons in support of your answer.

Answer: Yes we agree, before the colonial rule, Indian handicrafts were famous all over the world. During the British rule, it got a major setback. Britain's idea was to reduce India to the status of a mere exporter of cheap raw material for the growing modern industries of Britain and also make India into a big market for British finished goods, in order to avail maximum advantage from India. The colonial government's motive was not to industrialise India but to de-industrialise it.

The traditional Indian handicraft industries declined due to lack of support from the Government. No corresponding modern industrial base was allowed to come up. They did not want to have any competitors in this field.

The decline of Indian handicrafts sector resulted in massive unemployment and created a new demand for cheap manufactured goods imported from Britain. As a result there was a drain of Indian wealth. Many Indian handicrafts Industries like Malmal from Dhaka could not compete with cheap mill made fabrics and just died. Thus, the Britain ruined handicraft industries located in India.

Q7. What objectives did the British intend to achieve through their policies of infrastructure development in India?

Answer: Under the Colonial regime, basic infrastructure such as railways, ports, water transport, post and telegraphs did develop. But the real motive behind this development was not to provide services to the people but to strengthen and further colonial interests.

1. Roads and railways were developed to strengthen law and order. So that army and police forces could move easily to resist and kill any rebellio
2. Roads were built to take out raw materials from the countryside and take it to the nearest rail head or to the ports to send to England.
3. Introduction of Electric Telegraph served the purpose of maintaining law and order while Postal services which were serving a useful purpose for public remained inadequate.

Q8. Critically appraise some of the shortfalls of the industrial policy pursued by the British colonial administration.

Answer: The main objective of the industrial policies pursued by the British colonial government in India was to turn the India as a feeder economy for Great Britain where the modern industrial base was rapidly expanding, which needed a wide market.

The industrial policy pursued by the British colonial administration had the following shortfalls:

It neglected the Indian handicraft industries which led to its decline. Britain wanted to make India a mere exporter of important raw materials to run the industries of Britain, so they imposed huge tariff on exports of Indian handicraft products while allowed free export of raw material to Britain. These made India's export costlier in international market and hence demand for India's handicraft falls. The Indian handicraft products also faced a tough competition from machine-made textiles from Britain.

The growth of Indian industries was severely constrained due to lack of adequate investment in modern industries. There was hardly any capital goods industry which could promote further industrialisation in India. Few industries which were established were no substitute to the displaced traditional handicrafts industry. Further the rate of growth of new industrial sector and its contribution to GDP remained very small.

There was very limited area of operation of the public sector, confined only to the railways, communication, ports and some other departmental undertakings that were serving the colonial interests.

Q9. What do you understand by the drain of Indian wealth during the colonial period?

Answer: Before colonial rule, India was described as a rich country by all the different travelers who came here at different times. It produced enough for its own consumption- wheat, vegetables, grains, etc. It also exported cottons and silks, rice, sugar etc. It also had abundant sources of metal and minerals.

During the British times Indian wealth was gradually sucked out.

Agriculture was totally geared up to being a feeder for Britain's own rapidly expanding industrial base. India became an exporter of primary products such as raw silk, cotton, wool, sugar, indigo, and jute. Farmers were

forced to grow these and sell at cheaper rates to British Industry. They were not free to sell it to the highest bidder. Britain maintained a monopoly control over India's Exports and Imports. Indian exports did not bring any Gold and silver into India. This was used to make payments for the expenses incurred by the Government or expenses incurred on war, fought by the British and the import of items for the rulers. All this led to the drain of Indian Wealth.

Q10. Which is regarded as the defining year to mark the demographic transition from its first to second decisive stage?

Answer: Year 1921 is considered as the defining year to mark the demographic transition from the first to the second decisive stage.

Q11. Give a quantitative appraisal of India's demographic profile during the colonial period.

Answer: India's population growth was not even during the colonial period. Before 1921, India was in the first stage of demographic transition. The second stage started after 1921. India's demographic profile during the colonial period was as follows:

- a) Overall mortality rate was very high, particularly, infant mortality rate which was around 218 per 1000 live birth
- b) Life expectancy was about 44 years which was again very low.
- c) Overall literacy level was less than 16 per cent. The female literacy level was even low at around 7%.
- d) Public health facilities were highly inadequate and unavailable to large chunks of population.
- e) Air and water-borne diseases were out of control and took a huge toll on life.

Q12. Highlight the salient features of India's pre- independence occupational structure.

Answer: By occupational structure we mean the distribution of workforce across different industries and sectors.

The main features of occupational structure during the colonial rule were as follows:

- a) Agricultural sector accounted for the largest share of workforce.
- b) About 70-75% people were engaged in agriculture. c) About 10% people were engaged in manufacturing. d) About 15-20% people were engaged in the service sector.
- e) Parts of the then Madras Presidency (comprising parts of present-day states of Tamil Nadu, Andhra Pradesh, Kerala, and Karnataka), Maharashtra and West Bengal had witnessed a decline of workforce in the agricultural sector due to the shift to manufacturing and service sector.
- f) Share of workforce in the agricultural sector increased in Punjab, Rajasthan and Orissa.

Q13. Underscore some of India's most crucial economic challenges at the time of independence.

Answer: At the time of independence the areas which needed immediate attention and posed most crucial economic challenges were:

1. Agriculture sector: India's agriculture sector was burdened with surplus labour and had extremely low productivity. Farming techniques were outdated and it was dependent on monsoons.
2. Industrial sector: It was outdated, needed modernisation, diversification and huge public investment. At the time of independence there was hardly any capital goods industry to help promote further industrialisation in India.
3. Infrastructure facilities like railways, roads, powers were inadequate.
4. Poverty and unemployment had to be tackled on a war footing.
5. High mortality rates and low literacy rates needed a lot of investment in social infrastructure.

Q14. When was India's first official census operation undertaken?

Answer: India's first official census operation was undertaken in the year 1881.

Q15. Indicate the volume and direction of trade at the time of Independence.

Answer: Due to restrictive policies of commodity production, trade and tariff pursued by the British government, the structure, composition and volume of India's foreign trade was adversely affected. India became an exporter of primary products such as cotton, raw silk, sugar, wool, indigo, etc. and an importer of final consumer goods like cotton textile, silk and woollen clothes and capital goods like light machinery produced in Britain factories.

More than half of India's foreign trade was restricted to Britain (due to Britain's monopoly control over India's export) and rest was allowed with a few other countries like Ceylon (Sri Lanka), China and Persia (Iran). Throughout the colonial period India's foreign trade was characterised by a large export surplus. But this surplus did not result in any flow of gold or silver in India. Rather it was used to make payments for expenses incurred by offices set up by the colonial government in Britain, expenses on wars fought by British government and import of invisible items.

Q16. Were there any positive contributions made by the British in India? Discuss.

Answer: The British introduced the railways in India in 1850. It is considered as the greatest contribution of the rule. The railways affected Indian Economy in two ways.

On the positive front it enabled people to travel long distance and so become more aware of geographical, cultural and economic conditions of their own country.

On the negative front it resulted in commercialisation of Indian agriculture, which adversely affected the self-sufficiency of the Indian village economies.

The volume of India's export expanded due to expansion of railways but its benefits did not accrue to the Indian economy.