



## ECONOMICS CLASS XI

### Chapter-1 Indian Economy on the Eve of Independence

**Q.1. What was the focus of the economic policies pursued by the colonial government in India? What were the impacts of these policies?**

**Ans.** The main focus of the economic policies pursued by the colonial government was to make India a mere supplier of Britain's own flourishing industrial base. The policies were concerned mainly with the fortification and advancement for their home country. The interests of the Indian economy were completely ignored. Such policies brought structural changes in the Indian economy by transforming it to a supplier of raw materials and consumer of finished products from Britain. The impacts of these policies are discussed as follows in detail;

**i. Low Economic Development**

Throughout the British rule, Indian economy experienced very low level of economic development. As per some researches, Indian economy grew at even less than two percent during 1900-50. The reason for such a low level of development was that the British government was more concerned with the promotion of economic interests of their home country. Consequently, the colonial rule transformed India's agriculture sector to a mere supplier of raw materials for the British industries. This not only affected the production of the agricultural sector but also ruined the small manufacturing units like handicrafts and cotton industries. These manufacturing units faced a stiff competition from the British machine made textiles and handlooms.

**ii. Backwardness of Indian Agriculture**

Under the colonial rule, India was basically an agrarian economy employing nearly 85% of its population. Nevertheless, the growth of the agriculture sector was meager. This was due to the prevalence of various systems of Land Settlement, particularly *Zamindari* system. Under this system, the zamindars (owners of land) were required to pay very high revenue (*lagaan*) to the British government, which they used to collect from the peasants (landless labourers, who were actually cultivating). The zamindars were mainly concerned with extracting high revenues from the peasants but never took any steps to improve the productivity of the land. Moreover, in order to feed British industries with cheap raw materials, the Indian peasants were forced to grow cash crops (such as,

indigo, cotton, etc.) instead of food crops (such as, rice and wheat). This commercialisation of agriculture not only increased the burden of high revenues on the poor peasants but also led India to face shortage of food grains. Therefore, Indian agriculture remained backward and primitive.

### **iii. Deindustrialisation of Indian Economy**

India failed to develop a sound and strong industrial base during the colonial rule. The status of industrial sector during the British rule can be well defined by the term 'systematic deindustrialisation'. The cause of deindustrialisation can be attributed to the downfall of India's handicraft industry and the cause of bleak growth of modern industry was the lack of investment. On one hand, the British government imposed heavy tariffs on the export of Indian handicraft products and on the other hand, allowed free exports of Indian raw materials to Britain and free imports of British products to India. As a result of the heavy tariffs, the Indian exports became costlier and its demand in the international market fell drastically that led to the collapse of Indian handicrafts industries. Simultaneously, the demand for the handicrafts products also fell in the domestic markets due to stiff competition from the machine made textiles of Britain. As a result, the domestic industries lacked investment and growth initiatives.

### **iv. Regression in Foreign Trade**

During the colonial rule, the British government owned the monopoly power over India's foreign trade. The British government used the trade policy according to the interests of their home country. The exports and imports transactions were restricted only to India and Britain. On one hand, the exports from India provided the cheap raw materials to the British industries and on the other hand, India's imports from Britain provided a virgin market for Britain's products. In either ways, British industries were benefitted. Moreover, the surplus generated from the foreign trade was not invested in the Indian economy; instead it was used in administrative and war purposes by Britain to spread their colonial power.

## **Q.2. Name some notable economists who estimated India's per capita income during the colonial period.**

**Ans.** As the British government was never interested in upliftment of our country, so they never took any initiative to measure India's national and per capita income. Though some of the economists tried to estimate India's national income and per capita income during the colonial rule, but the results are mixed and conflicting. The following are some of the notable economists who were engaged in estimation of national income and per capita income:

- i. Dadabhai Naroji
- ii. William Digby
- iii. Findlay Shirras



iv. V.K.R.V Rao

v. R.C. Desai

Out of these, V.K.R.V Rao's estimates are considered to be significant. Most of these studies revealed that Indian economy grew at even less than two percent during 1900-50 with half per cent growth in per capita output per year.

### **Q.3.What were the main causes of India's agricultural stagnation during the colonial period?**

**Ans.** Under the colonial rule, India was basically an agrarian economy, employing nearly 85% of its population. Nevertheless, the growth of the agriculture sector was meager. The following are the causes explaining stagnancy in Indian agriculture sector during the colonial rule:

#### **1. Introduction of Land Revenue System**

This was due to prevalence of various systems of Land Settlement, particularly *Zamindari* system. This system was introduced by Lord Cornwallis in Bengal in 1793. Under this system, the *zamindars* (owners of land) were required to pay very high revenue (*lagaan*) to the British government, which they used to collect from the peasants (landless labourers, who were actually cultivating). The *zamindars* were mainly concerned with extracting high revenues from the peasants but never took any steps to improve the productivity of the land. This resulted in low agricultural productivity and worsened the peasants economically.

#### **2. Forceful Commercialisation**

Initially before the British rule, the farmers were practicing conventional subsistence farming. They used to grow crops like rice and wheat for their own consumption. But afterwards, in order to feed British industries with cheap raw materials, the Indian farmers were forced to grow commercial crops (like indigo required by British industries to dye textiles) instead of food crops (like rice and wheat). This led to the commercialisation of Indian agriculture. This commercialisation of Indian agriculture not only increased the burden of high revenues on the poor farmers but also led India to face shortage of food grains, resources, technology and investment. Therefore, Indian agriculture remained backward and primitive.

#### **3. Lack of Irrigation Facilities and Resources**

Besides the above factors, Indian agricultural sector also faced lack of irrigation facilities, insignificant use of fertilisers, lack of investment, frequent famines and other natural calamities, etc. that further exaggerated the agricultural performance and made it more vulnerable.



## **Q.4. Name some modern industries which were in operation in our country at the time of independence.**

**Ans.** The second half of the nineteenth century witnessed the emergence of modern industries. At the initial stage, development was confined to setting up of cotton and jute textile mills. The western parts of the country Maharashtra and Gujarat was the hub for cotton textile mills which were mainly dominated by the Indians whereas the jute industries were mainly concentrated in Bengal and were dominated by the British. In the beginning of the 20th century, Iron and steel industries also started emerging gradually. It was incorporated in 1907. Some other industries that were operating at a smaller scale during the British era were sugar industry, cement industry and paper industry.

## **Q.5. What was the two-fold motive behind the systematic deindustrialisation affected by the British in pre - independent India?**

**Ans.** The following are the two-fold motives behind the systematic deindustrialisation affected by the British:

1. Making India a Supplier of Raw Materials: The main motive of the British government was to make India a mere supplier of cheap raw materials to feed its own flourishing industrial base.
2. Making India a Market for Finished Goods: Another important objective of the British government was to use India as a virgin market to sell the finished goods produced by the British industries.

## **Q.6. The traditional handicrafts industries were ruined under the British rule. Do you agree with this view? Give reasons in support of your answer.**

**Ans.** Yes, we do agree with the above statement that the traditional handicrafts industries were ruined under the British times. The following are the reasons in favour of the statement.

1. **Discriminatory Tariff Policy:** The British rule in India corresponded with its industrialisation. The British rule used India both as a source of cheap raw materials as well as easy accessible market for their finished products. Thereby, they imposed heavy tariffs (export duties) on India's export of handicraft products, while allowed free export of India's raw material to Britain and free import of British products into India. This made Indian exports costlier and its international demand fell drastically leading to the collapse of handicrafts industries.
2. **Competition from Machine made Britain Goods:** The demand for the handicrafts products experienced a downward trend in the domestic markets as well. This was due to stiff competition



from the machine made textiles from Britain. This was because of the reason that the goods produced mechanically in Britain were comparatively cheaper and of superior quality than the Indian handicraft goods. This narrowed the market for Indian industries.

**3. Emergence of New Class:** The British rule in India popularised western lifestyle in India. There was an emergence of a new section of population (consisting mainly of zamindars) in India who liked the British goods. This section used to spend lavishly on the British products that provided impetus for the development of British industries at the cost of the domestic industries. Hence, gradually Indian industries perished away.

**4. Disappearance of Princely State:** Prior to the advent of British, India was ruled by princely states. They used to patronise handicrafts industries and consequently, Indian handicrafts gained reputation in the international markets. But during the British rule, these princely states were ruined thereby ruining the protection of these handicrafts industries. Thus, gradually Indian handicrafts lost its reputation and its importance deteriorated

## **Q.7. What objectives did the British intend to achieve through their policies of infrastructure development in India?**

**Ans.** One cannot deny the fact that under the British rule, there was significant change in the infrastructural development in the country. But the bonafide motive of the British behind the infrastructure development was only to serve their own colonial interests. There was infrastructural development in the fields of transport and communication. The roads served the purpose of facilitating transportation of raw materials from different parts of the country to ports, and ports were developed for easy and fast exports to and imports from Britain. Similarly, railways were introduced and developed for the transportation of finished goods of British industries to the interiors of India. Railways assisted British industries to widen the market for their finished products. Post and telegraphs were developed to enhance the efficiency and effectiveness of the British administration. Hence, the aim of infrastructural development was not the growth and development of the Indian economy but to serve their own interest.

## **Q.8. Critically appraise some of the shortfalls of the industrial policy pursued by the British colonial administration.**

**Ans.** The focus of the industrial policies pursued by the colonial government in India was to make our country a mere supplier of Britain's own flourishing industrial base. The policies were concerned mainly with the fortification and advancement for their own country. The industrial policy pursued by the British colonial administration has the following shortfalls:



**1. Neglect of Indian Handicraft Industries:** The British followed a discriminatory tariff policy under which they imposed heavy tariffs (export duties) on India's export of handicraft products while allowed free export of India's raw material to Britain and free import of British products to India. This made Indian exports costlier and its international demand fell drastically leading to the collapse of handicrafts industries. Also, Indian handicrafts faced a stiff competition from machine made textiles of Britain. The emergence of a new section of people who liked the British goods more in comparison to the domestic goods encouraged British industries at the cost of Indian industries. This led to the declining demand for Indian products and encouraged foreign products.

**2. Lack of Investment in Indian Industries:** The modern industries in India demanded investments in capital goods that were beyond the means of Indian investors. On the other hand, British government was least interested in investing in Indian industries. Thus, due to the lack of sufficient investment, the growth of Indian industries was acutely constrained.

## **Q.9. What do you understand by the drain of Indian wealth during the colonial period?**

**Ans.** Dadabhai Naroji advocated the theory of 'Drain of Wealth' in the 19th century. The colonial period was marked by the exploitation of Indian resources. The sole motive of Britain to conquer India was to own a perennial source of cheap raw materials to feed its own industrial base in Britain. Further, British government used India's manpower to spread its colonial base outside India. Also, the administrative expenses that were incurred by the British government to manage the colonial rule in India were borne by Indian Exchequer. Thus, the British rule drained out Indian wealth for the fulfillment of its own interests.

## **Q.10. Which is regarded as the defining year to mark the demographic transition from its first to the second decisive stage?**

**Ans.** The year 1921 is regarded as the defining year or the 'Year of Great Divide' because prior to 1921, population growth in India was never consistent. India was in the first phase of demographic transition till 1921 that was characterised by high birth rate and high death rate. It implies low survival rate (or low life expectancy), which was nearly 8 per thousand per annum. Therefore, the period before 1921 witnessed stagnant population growth rate. After 1921, India's population growth never declined and showed a consistent upward trend

## **Q.11. Give a quantitative appraisal of India's demographic profile during the colonial period.**

**Ans.** India's Demographic conditions during the British rule depict our economy as stagnant and backward. Both the birth rate and death rate were as high as 48 and 40 per thousand. Due to high birth rate and high death rate the population growth was stagnant. The Infant Mortality Rate was also very high of about 218 per thousand. The Life Expectancy Rate was as low as 32 years while presently it is 63.5 years. The literacy rate was less than 16 percent which denotes social backwardness and gender bias in the economy. We can infer from the above figures that India was featured with massive poverty, low standard and quality of living and low survival rate in the country. The lack of health care facilities and lack of health awareness were the main causes behind such demographic conditions of India.

## **Q.12. Highlight the salient features of India's pre-independence occupational structure.**

**Ans.** The occupational structure that refers to the distribution of population engaged in different occupations, showed no variation throughout the British rule. The following are the salient features of India's pre-independence occupational structure:

**1. Agriculture- The Prime Occupation:** Under the colonial rule, India was basically an agrarian economy, employing nearly 85% of its population. As India had a massive poverty during the colonial rule, so a large proportion of the population was engaged in agricultural sector to earn their subsistence. But due to the prevalence of *Zamindari* system, agricultural sector lacked investment and, thereby, its growth was highly constrained. Thus, in other words, despite employing a significant proportion of the population, the growth of agriculture sector was meager.

**2. Industry- The Bleak Occupation:** Apart from agriculture, a small proportion of population was employed in manufacturing sector. Nearly 10% of the total workforce was engaged in manufacturing and industrial sector. This was due to the stiff competition that the Indian industries faced from the machine made cheap goods from Britain. Further, the lack of investment, initiatives and the unfavourable tariff structure constrained industrial sector. Thus, the Indian industrial sector failed to contribute significantly to India's GDP.

**3. Unbalanced Growth:** The three sectors of Indian economy, i.e. agricultural, industrial and tertiary sector were unequally developed. While the agricultural sector was relatively developed, whereas, the other two sectors were at their infant stage. In addition, there was regional variation in the occupational structure of India. While on the one hand, states like Tamil Nadu, Andhra Pradesh and Bombay experienced a fall in the agricultural work force on the other hand states like Orissa, Rajasthan and Punjab experienced a rise in the agricultural workforce.



## Q.13. Underscore some of the India's most crucial economic challenges at the time of independence.

**Ans.** The exploitative colonial rule of the British hampered almost every spheres of Indian economy badly. As an end-result, India faced acute economic challenges at the time of independence. The following are some of the economic challenges faced by the Indian economy:

**1. Low Level of Agricultural Productivity:** During the colonial rule Indian agricultural sector was used by the British to suit to their own interest. Consequently, Indian agricultural sector experienced stagnancy, low level of productivity, lack of investment, poor condition of landless farmers and peasants. Thus, the immediate concern for India was to develop its agricultural sector and its productivity. Some of the immediate reforms needed at the time of independence were abolition of *Zamindari* system, need of land reforms, reducing inequality of land ownership and upliftment of the peasants.

**2. Infant Industrial Sector:** India failed to develop a sound industrial base during the colonial rule. In order to develop the industrial sector, India needed huge capital, investments, infrastructure, human skills, technical knowhow and modern technology. Further, due to stiff competition from the British industries, India's domestic industries failed to sustain. Thus, developing small scale and large scale industries simultaneously was the main concern for India to develop its industrial sector. Moreover, the need to increase the share of industrial sector to India's GDP was one of the important economic challenges for India.

**3. Lack in Infrastructure:** Although there was a significant change in the infrastructural development in the country but this was not sufficient to improve the performance of agricultural and industrial sector. Also, there was a need to upgrade the existing infrastructure and to modernise the infrastructure to enhance its efficiency and effectiveness.

**4. Poverty and Inequalities:** India was trapped in the vicious circle of poverty and inequality. The colonial rule drained out a significant portion of India's wealth to Britain. Consequently, majority of India's population was poverty trodden. This further exaggerated economic inequalities across the country.

## Q.14. When was India's first official census operation undertaken?

**Ans.** India's first official census operation was undertaken in the year 1881. After that the census has been conducted after every 10 years. It involves a detailed estimation of population size, along with a complete demographic profile of the country.





## Q.15. Indicate the volume and direction of trade at the time of independence.

**Ans.** During the colonial rule, the British followed a discriminatory tariff policy under which they imposed heavy tariffs (export duties) on India's export of handicraft products, while allowing free export of India's raw material to Britain and free import of British products to India. This made Indian exports costlier and its international demand fell drastically. India's export basket during the colonial rule comprised mainly of primary products like sugar, jute, silk, etc. and the imports comprised of finished consumer goods like cotton, woolen clothes, etc, from Britain. As the monopoly power of India's export and import rested with Britain, so, more than half of India's trade was restricted to Britain and the remaining imports were directed towards China, Persia, and Srilanka. The opening up of Suez Canal further intensified the monopoly power of the British over India's foreign trade. It led to the fast movement of goods from India to Britain and vice-versa. The surplus generated from India's foreign trade was not invested in Indian economy; rather it was used for administrative and war purposes. This led to the drain of Indian wealth to Britain.

## Q.16. Were there any positive contributions made by the British in India? Discuss.

**Ans.** Yes, there were various positive contributions that were made by the British in India. The contributions were not intentional but purely the effects of colonial exploitation of the British. The following are the positive contributions made by the British:

- 1. Introduction of Railways:** The introduction of railways by the British was a breakthrough in the development process of Indian economy. It opened up the cultural and geographical barriers and facilitated commercialisation of Indian agriculture.
- 2. Introduction of Commercialisation of Agriculture:** The introduction of commercial agriculture is an important breakthrough in the history of Indian agriculture. Prior to the advent of the British, Indian agriculture was of subsistence nature. But with the commercialisation of agriculture, the agricultural production was carried out as per the market requirements. It was due to this factor that today India can aim at attaining self-sufficiency in food grains production.
- 3. Introduced Free Trade to India:** British forced India to follow free trade pattern during the colonial rule. This is the key concept of globalisation today. The free trade provided domestic industry with a platform to compete with the Britain industries. The introduction of free trade led to an increase in the volume of India's export rapidly.



**4. Development of Infrastructure:** The infrastructure developed in India by the British proved as useful tool to check the spread of famines. The telegram and postal services served Indian public.

**5. Promoted Western Culture:** English as a language promoted westernised form of education. The English language acted as a window to the outside world. This has integrated India with the rest of the world.

**6. Role Model:** The way and the technique of British administration acts as a role model for the Indian politicians and planners. It helped Indian politicians to govern the country in an efficient and effective manner.

## Q.17. Explain agricultural sector on the eve of independence.

**Ans.** The Indian economy during british colonial rule was primarily an agricultural economy. Almost 85 per cent of the country's population lived in villages during that period and derived its livelihood directly or indirectly from agriculture. Despite being the major source of livelihood, **the agriculture sector continued to experience stagnation and deterioration during British rule.**

State of indian agriculture sector on the eve of independence was as follows:

- 1. Weak Productive Accumulation.** At the time of independence, the means of production were defective, there was insufficient use of fertilizers, machines were defective, etc. All these led to weak productive accumulation.
- 2. Unemployment and Underemployment.** Poor capital formation in agriculture led to rise in unemployment and underemployment.
- 3. Low levels of production and productivity.** Productivity of agriculture depends upon land productivity and labour productivity. **Land productivity** depends on type of soil, climatic conditions of a region, and irrigation facilities. Level of productivity (output per hectare of land) was extremely low. On the other hand, labour productivity depends on the literacy rate, technical skills of cultivators, agriculture implements, average income of cultivators and fulfillment of basic amenities of life. Since farmers were poor, under-nourished, had low stamina and no incentive to work, it led to low productivity of labour.

Agriculture production in India was less than its demand. It produced only 508 lakh tones of food grains in 1947-48. At that time, just 13 crore hectares of land was under cultivation.

- 4. Subdivision of Landholdings.** Landholding is defined as the area of land which a person or a family owns. It could be one piece of land or a number of small scattered pieces of land. At the time of independence, what prevailed was division, subdivision and fragmentation of landholdings.



## Q.18. What are the main causes of stagnation of agriculture sector ?

**Ans. Indian agriculture was primitive and stagnant.** The main causes of stagnation of agriculture sector were as follows:

1. **Land Tenure System.** There were three forms of Land tenure system introduction by the British rulers in India. These were:
  - (a) Zamindari system
  - (b) Mahalwari system
  - (c) Ryotwari system

In the **zamindari system**, zamindars or landlords were the owners of land. The actual collections by Zamindars was much higher than what they had to pay to the Government . zamindari system led to multiplication of middleman between cultivators and government , absentee landlordism, exploitation if peasants by unsympathetic agents and enmity between landlords and tenants. Under the system, intermediaries benefited at the cost of both actual cultivators and the state. (for more details, see Annexure of this chapter).

2. **Commercialisation of Agriculture.** Commercialisation of agriculture means production of crops for sale in the market rather than for self-consumption. Farmers were forced to cultivate commercial crops like **Indigo**. Indigo was required by the textile industry in Britain for dyeing of the textile. As a result, there was fall in the production of food crops. The farmers had to suffer from frequent occurrence of famine. Indian agriculture was transformed into a raw material exporting sector for England. It has been explained in Amartya Sen's book, "**Poverty and Famines**"?

3. **Partition of the country.** Partition of the country in 1947 also adversely affected India's agricultural production. The rich food producing areas of West Punjab and Sindha went to Pakistan. It created food crisis in the country. Also the whole to fertile and under jute production went to East Pakistan. **The jute industry was most severely affected due to partition.**

**Thus, Indian agriculture became backward, stagnant and non-vibrant under the British rule.**

## Q.19. State Industrial sector on the eve of independence.



**Ans.** The industrial sector of India could not develop under the British rule. The state of Indian Industrial sector on the eve of independence was as follows:

- 1. De-industrialisation – Decline of Indian Handicraft Industry.** Britishers followed the policy of systematically de-industrialising India. The **Primary motive** behind the de-industrialisation by the British government was two-fold;
  - (a) To get raw materials from India at cheap rates in order to reduce India to a mere exporter of raw materials of the British industries.
  - (b) To sell British manufactured goods in Indian market at higher prices.
  - (c) To sell British manufactured goods in Indian market at higher prices.In this way, they exploited India through the device of double exploitation. It resulted in decline of world famous traditional handicrafts. Britishers followed discriminatory tariff policy. It allowed free export of raw materials from India and free import of British Final goods to India, but placed heavy duty on the export of Indian handicrafts. In this way, Indian market was full of manufactured goods from Britain which were low priced. Indian handicrafts started losing both domestic market and export market. Ultimately, handicraft industry declined.
- 2. Lopsided Modern Industrial Structure.** Unbalanced and lopsided structure of Indian industries is again a legacy of the British rule in India. British rulers neither permitted modernization of industries nor did they encourage the growth of heavy industries in India. The period 1850-55 saw the establishment of the first cotton mill, first jute mill and the first coal mine. By the end of 19<sup>th</sup> century, there were 194 cotton mills and 36 jute mills. The cotton textile mills were located in the western parts of the country, in the states of Maharashtra and Gujarat.
- 3. Capital Goods Industries were Lacking.** The policy was simply to develop those industries which would never be competitive to the British industry. They always wanted Indians to be dependent on Britain for the supply of capital goods and heavy equipments. Thus, the development of a few consumer goods industries was witnessed during British colonial rule. The heavy industries were, by and large, conspicuous by their absence. This resulted in an unbalanced and lopsided growth of industries in India.
- 4. Limited Operation of the Public Sector.** Public sector was confined to railways, power generation, communication, ports and some other departmental undertakings.

## Q.20. State foreign trade on the eve of independence.



**Ans.** The state of India's foreign trade on the eve of independence was as follows:

- 1. Net Exporter of Raw Material and Importer of Finished Goods.** India became an exporter of primary products such as silk, cotton, wool, sugar, jute etc. and an importer of finished consumer goods like cotton, silk and woollen clothes and capital goods like light machinery produced in the factories of Britain. UK was the chief supplier to India contributing to over 31 per cent of total imports at the time of independence. The principal item of import was food grains and by 1947 food grain imports had touched the level of 3 million tones.
- 2. Britain Had Monopoly control in Foreign Trade.** Opening of Suez Canal in 1869 served as a direct route for the ships operating between India and Britain. The canal connected Port Said on the Mediterranean Sea with the Gulf of Suez. It provided a direct trade route for ships operating European or American ports and ports located in South Asia, East African and Oceania.
- 3. Drain of India's Wealth. Drain of wealth means that economic policies of the British in India were primarily motivated to snatch maximum benefits from India's trade.** India's foreign trade generated large export surplus. This export surplus did not result in any flow of silver or gold into India. There was drain of India's wealth into Britain. It is clear from the following:
  - (a) The surplus was used to make payments for the expenses incurred by the office set up by the colonial government in Britain.
  - (b) The surplus was used to pay expenses on war fought by the British government.
  - (c) Surplus was used to pay for the import of invisible items.

## Q.21. What are the demographic conditions on the eve of independence ?

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

- 1. High Birth Rate and Death Rate.** High birth rate and death rate are treated as index of backwardness of a country. Both birth rate and death rate were very high at 48 and 40 per thousand of persons respectively.
- 2. High Infant Mortality Rate.** It refers to death of children below age of one year. It was about 18 per thousand live births.
- 3. Low Life Expectancy.** Life expectancy means the number of years that a new born child on an average is expected to live. It was as low as 32 years.



4. **Mass Illiteracy.** Mass illiteracy among the people of a country is taken as an indicator of its poverty and backwardness. The population census of 1941 (which was the last census under the british rule) estimated the literacy rate at 17 per cent. This means that 83 per cent of the total population was illiterate.
5. **Low Standard of living.** At the time of interdependence, people used to spend between 80 to 90 percent of their income on basic necessities, that is on food, clothing and housing. Even then, people did not get adequate quantity of food or clothing or housing ; and millions of people starved, went naked and lived in huts or in the open. Moreover, some parts of India came under severe famine conditions. The famines were so severe that millions died. One of the worst famines in India was the **Bengal famine of 1943 when three million people died.**

## Q.22. Explain infrastructure on the eve of independence.

**Ans.** Infrastructure comprises of such industries which help in the growth of other industries. Example: transport, electricity, communication etc. during the british rule, some basic infrastructure was developed in the form of railways, water transport, ports, post and telegraph, etc. however, the real intension behind these developments was to serve their own colonial interest. It is clear from the following points.

### 1. Railways

**British rulers introduced railways in india in 1850 and Indian Railways began their operations in 1853.** It was considered as one of the most important contribution of british rulers in India.

- (a) There was cheap and rapid movement of people from one place to another place. It broke geographical and cultural barriers. It promoted national unity.
- (b) It increased commercialisation of indian agriculture. This favourably affected the self sufficiency of the Indian village economy.
- (c) The volume of India's export trade expanded substantially although, its benefits did not accrue much to the Indian people.
- (d) India's Industrial development (e.g., cotton textile industries in Bombay, jute industry in Calcutta, tea plantation in Assam and Bengal) was due to the development and expansion of railways

### 2. Roads



The roads were built primarily to mobilise army within India and carrying out raw materials to the nearest railway station or to the port to sent it to Britain. There was acute shortage of all weather metal roads in the village side. Because if this, rural people suffered during natural calamities, famines, etc.

### 3. Water Transport and Air Transport

Britishers took measures for developing the water transport and air transport. Their development was far from satisfaction. Indian shipping companies had to face severe competition from foreign shipping companies. The main purpose behind their development was to serve Britain's colonial interest.

### 4. Communication

Modern postal system started in India in 1837. The telecommunication services were introduced in India. The first telegraphy line was opened in 1857.

## Q.23. State occupational structure on the eve of independence.

**Ans.** The state of occupational structure on the eve of independence was as follows:

- 1. Pre- dominance of Agriculture Sector.** The agriculture sector accounted for the largest share of work-force which was 72.7 per cent. The manufacturing and service sectors accounted for 10.1 per cent and 17.2 per cent respectively.

	Occupation	1951(%)
1	Primary sector	72.7
	A Agriculture	50.0
	B Agricultural labour	19.7
	C Forestry, Fisheries, Animal Husbandry, Plantation	2.4
	D Mining	0.6
2	Secondary sector	10.1
	A Small and Large Scale Industries	9.0
	B Building Construction	1.1
3	Tertiary Sector	17.2



A	Trade and Commerce	5.2
B	Transport, Storage and Communication	1.4
C	Other Services	10.6

2. **Growing Regional Variations.** There was growing regional variations. In the states of Tamil Nadu, Andhra Pradesh, Kerala, Karnataka, Maharashtra and West Bengal, the dependence of the workforce on the agriculture sector declined. On the other hand, there was increase in the share of work of work force in the agriculture sector in the states of Orissa, Rajasthan and Punjab, **Thus, India's occupational structure was static and unbalanced.**

## Q.24. What are the good and bad impacts of british government on indian economy ?

### Ans. Good Effects

- (a) Commercial agriculture started showing green shoots. It implied a good break through as it started changing the outlook of farmers and methods of farming. Farming gradually came to be accepted as a profitable venture rather than merely a means of subsistence.
- (b) Spread of railways, roadways and communications opened up new opportunities of economic and social growth. It also implied greater cultural affinity across different parts of the country.
- (c) Expanding means of transportation and communication served as a support system to combat the spread of famines. Food supplies could be rushed to the drought-hit areas.
- (d) The british rule in India left a legacy of an efficient system of administration. This served as a ready reckoner for our politicians and planners.
- (e) There was a significant transition from barter system of exchange facilitated specialization of labour, large scale production and spread of market.

### Bad Effects

- (a) **Commercialisation of Agriculture.** The British pursued a trade policy which encourage export of raw materials and import of manufactured goods.
- (b) **New Land Revenue System.** This system proved suicidal for agricultural sector in India. Land improvement was ignored by both owners (the absentee landlords) and the tenant cultivators.
- (c) **Decline of handicraft.** Prior to industrial Revolution in Britain, the east India Company concentrated on export of Indian spices and other manufactured goods, like textiles.however,





# EDUCATION SOLUTION

*An Initiative of Vaishali Education Point*

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start of industrial revolution reversed the character of India's foreign trade. due to policies of british rulers, india became an exporter of raw material and importer of finished goods.