

GE-4

STUDY NOTE

SEM-IV

INDIAN ECONOMY

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COMMERCE

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UNIT - IV

## Structural changes in Indian Economy

1. Economy on the Eve of Independence
2. Trends in Distribution of National Income
3. Relative Shares of Sub-Sector GDP
4. Sector-wise growth profile of GDP
5. Employment Structure
6. Growth rate of Sectoral Employment
7. Composition of Employment in organized sector
8. Output Disposition and Input Structure of the System
9. Demand Decomposition Analysis

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## UNIT - V

### TRENDS IN AGRICULTURE SECTOR

Net irrigated crop area → 35%

Net irrigated area → 48%

Major Agricultural product - India is largest

Production of food grains → Increase 51 Million tonnes in 1950-57 to 252 Million in 2015-16

Agricultural growth - Low & Volatile

Agricultural Productivity - Low

### CAUSES OF LOW PRODUCTIVITY

1. Excessive Pressure of population on Land
2. Uneconomic land-holding
3. Inadequate access to irrigation and dependence on monsoon
4. Unscientific use of soil nutrients resulting in loss of fertility of soil
5. Land degradation
6. Low rates of investment and capital formation
7. Lack of access to formal agricultural credit

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## INDUSTRIAL SECTOR

It include —

- 1) Mining
- 2) Manufacturing
- 3) Electricity, Gas & Water Supply
- 4) Construction

Industrial growth during pre-reform and post-reform period :-

Since independence under reforms of 1991, can be classified into three phases :-

1. Phase - I (1951-1965/66) of fairly growth
2. Phase - II (1967-1980) deceleration
3. Phase - III (1981-1991) of recovery

### Phase - I

|                        | <u>1st Plan</u> | <u>2nd Plan</u> | <u>3rd Plan</u> |
|------------------------|-----------------|-----------------|-----------------|
| Industrial growth rate | 5.7             | 7.2             | 9.0             |
| Growth rate of Capital | 9.6             | 13.1            | 19.0            |

### Phase - II

Industrial growth could not be sustained beyond the third plan period (1961-66)

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causes:-

- 1) Exogenous factor
- 2) Internal factor

Phase - III

Recovery

Reason

- 1) India began to liberalise
- 2) Bureaucratic controls relaxed
- 3) Green revolution
- 4) Government was incurring budget deficit

Phase - IV

New Economy policy and  
ECONOMIC REFORMS

INDUSTRY

- a) virtual abolition of industrial licensing
- b) Abolition of separate permission needed by MRTP Home
- c) Sharp reduction of industries "preserved" for the public sector.