

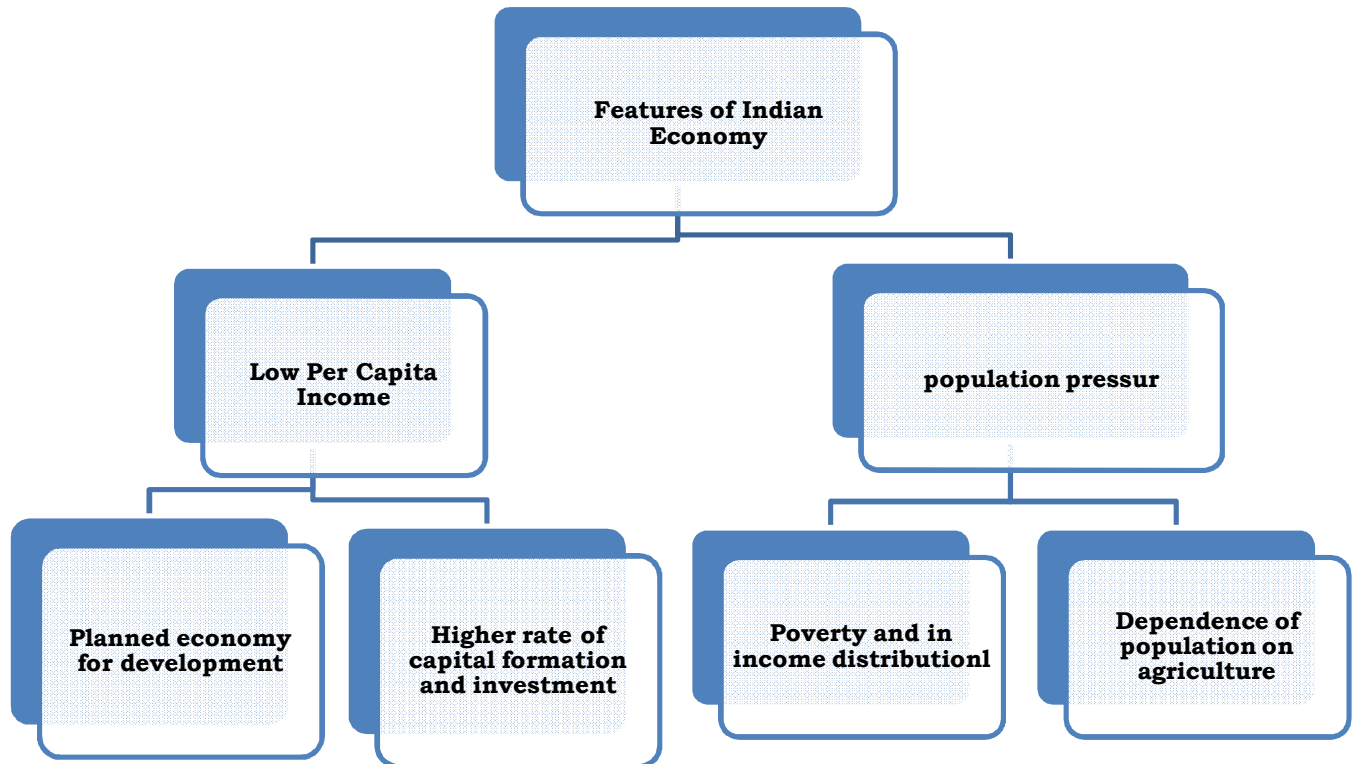
Lesson-1

Overview of Indian Economy

Summary

The phase of Indian economy is studied under two parts i.e. pre-Independence period and post independence era. During pre independence period the position and performance of Indian economy categorized as underdeveloped economy but during the post independence period Indian economy has been considered as developing economy. As we know that now a days the entire world economy is classified under two broad categories i.e., Developed economy and developing economy. Keeping this view in mind we will study “Why Indian economy is developing economy on the basis of its feature”.

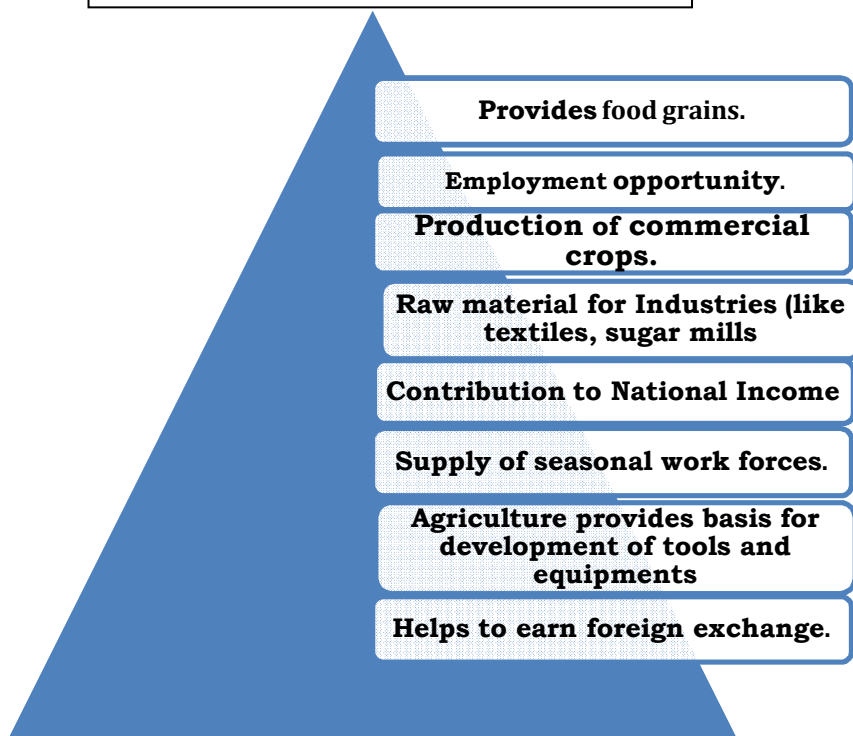
Features of Indian Economy



Some Important Aspects of Economy

- India's per capita income = National income/population.
- Capita income of India is 15 times low.
- Increase in birth rate and decrease in death rate.
- 58% India's working population engaged in agriculture.
- Indian agriculture suffers from lack of Technology and irrigation facilities.
- 22% of India's population living below poverty line.
- 21 calories need for urban people and 24 calories need for rural people.
- Inequality in distribution of income wealth.
- India's positive character in terms of capital formation and investment.
- Economic planning was started in the year 1950 to 51.
- At present India is self sufficient in producing foodgrain.

Role of Agriculture in India



Growth of Industry in India

- After 1991 the government decided to downsize the role of public sector and increase the participation of private sector towards industrial development.
- Per LPG model was introduced to enhance the performance of economy industrialisation.
- Industrial development regularizes liberalisation, privatization and globalisation.
- Dominance of public sector has been replaced by private sector.
- LPG Developed new dimension in process of economic development

Evaluate Yourself

- Q. Mention four important features of Indian economy.
- Q. List out contribution of agriculture towards economic development of India.
- Q. Elaborate the following terms
- a. Per capita income
 - b. GDP (Gross Domestic Product)
 - c. LPG
 - d. Birth rate and death rate
 - e. Poverty line
 - f. Foreign exchange
- Q. "The process of industrialisation got a new dimension with the introduction of LPG." Why?