

Chapter 1

Development

Let's Work these Out-Pg-6

Q.1 Why do different persons have different notions of development? Which of the following explanations is more important and why?

- (a) Because people are different.
- (b) Because life situations of persons are different.

Ans.: The argument in favor of above mentioned statement is that people are different and the second one is life situations of persons are different so second one is more important about different notions of development for different people.

The development or growth of a person totally depends on the situation around him.

A person living in a village and there is no accessibility of road then construction of roads would be needed to develop that area. If a person is living in a metro city and finds difficulty to commute his workplace then the construction of rapid transit system would be the need in that area and for that person.

Q.2 Do the following two statements mean the same? Justify your answer.
People have different developmental goals.

People have conflicting developmental goals.

Ans.: Both the statements are true but differ in meaning. People may have different goals but it is not necessary that their path will be conflicting and the same as well.

For example: If a flyover is being constructed to reduce the waiting time at the railway station then it is the development goal for the person working at office. But by demolishing the necessities of slum by constructing can be contradictory for the slum dwellers.

Q.3 Give some examples where factors other than income are important aspects of our lives.

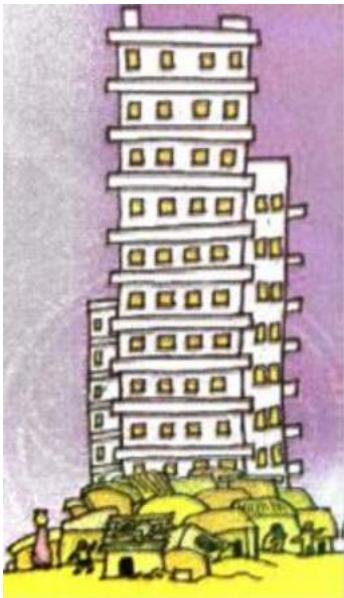
Ans.: Money is one of the other factors which is more important for fulfilling the basic requirements of life but it is not the sole factor which should be termed superior. Because good income will be useless if a person does not have the capacity or is not capable to move even here and there because of health issues. So, health as well as money is important. We can also say that both are complimentary. Not only this if good schools are not available in the neighborhood then it is difficult to provide education to the children so that they can be able to spend their money earned at right place at right time.

Q.4 Explain some of the important ideas of the above section in your own words.

Ans.: The above section is completely based on income and other different goals of people. Everyone has its own goal but besides seeking more and more opportunities to earn they want freedom, respect and security as well. The main factor on which the life of a particular person is dependent is income but quality of life also matters. One cannot keep chasing materialistic things.

Let's Work these Out-Pg-7

Q.1 Look at the picture on the right. What should be the developmental goals for such an area?



Ans.: The developmental goals for such an area should be:

A secure ownership should be provided of the land on which they live.

Availing the services like electricity, water and sanitation.

Removing unemployment by providing more and more job opportunities.

Medical facilities and hospitals.

Q.2 Read the newspaper report and answer the questions that follow:

A vessel dumped 500 tonnes of liquid toxic wastes into open-air dumps in a city and in the surrounding sea. This happened in a city called Abidjan in Ivory Coast, a country in Africa. The fumes from the highly toxic waste caused nausea, skin rashes, fainting, diarrhea etc. After a month, seven persons were dead, twenty in hospital and twenty six thousand treated for symptoms of poisoning.

A multinational company dealing in petroleum and metals had contracted a local company of the Ivory Coast to dispose the toxic waste from its ship.

(i) Who are the people who benefited and who did not?

(ii) What should be the developmental goal for this country?

Ans.: (i) the people who have dumped the toxic waste are the benefitted and the people who haven't are not benefitted and they belonged to Abidjan in Ivory Coast, a country in Africa, where people were not aware of hygiene issues and they kept committing mistakes daily and now they are suffering.

(ii) The development goals for the citizens of this country are to increase or raise their awareness towards the Pollution due to which they are getting suffered, like they don't know about sanitation and they keep dumping tonnes of liquid toxic waste in open-air in a city that causes nausea, skin rashes, fainting, diarrhea etc.

Q.3 What can be some of the developmental goals for your village, town or locality?

Ans.: As we know that rural areas are very hard to improve specially where there is no literacy and no hygiene. It becomes very difficult task to convince people for any change as they are very conservative and they don't want to accept changes rather than keep following their old and nonsense traditions. SO, if I say then many more important development goals should be there like sanitation, security, per capita income, education etc.

Let's Work these Out-Pg-9

Q.1 Give three examples where an average is used for comparing situations.

Ans.: Examples where an average is used for comparing situations are as follows:

- a) Measuring the height of students in a class with a large number of students.
- b) Collecting the data of income of people of a particular state.
- c) Forest cover in a country.

Q.2 Why do you think average income is an important criterion for development? Explain.

Ans.: Average income is an important criterion for development. As we know that money is basic and most vital factor for any country as it allows its citizens to fulfill their requirements. If the average income of a country is on a higher side, then chances of development will be better, if the average income of a country is on lower side then chances of the development will be less possible.

Hence, average income is an important criterion for development.

Q.3 Besides size of per capita income, what other property of income is important in comparing two or more societies?

Ans.: Besides the size of per capita income, there is purchasing power parity as it shows the ability of people to purchase items and their behavior too must not be ignored in this case. In comparison of two or more societies few more factors can be included like gross domestic product, infant mortality rate, distribution of income and many more things.

Q.4 Suppose records show that the average income in a country has been increasing over a period of time. From this, can we conclude that all sections of the economy have become better? Illustrate your answer with an example.

Ans.: If records show that the average income in a country has been increasing over a period of time. As we know that average income of a country is a way to determine the development of a country but it does not guarantee the progress of the economy. Few examples have been seen in which clearly it was shown that there are many other factors which are important for the overall development of a particular society. Some factors are infant mortality rate and literacy rate etc.

Q.5 From the text, find out the per capita income level of middle-income countries as per WDR 2006.

Ans.: The per capita income level of middle-income countries as per WDR 2006 is as follows:

Sri Lanka: \$ 4390

India: \$ 3139

Pakistan: \$ 2225

Q.6 Write a paragraph on your notion of what should India do, or achieve, to become a developed country.

Ans.: India is one of the most developing nations presently in the world but when we look at the figures related to Human Development Index; India is still very far from developed nations' list on several parameters.

India has shown great improvement on the life expectancy, infant mortality, and literacy rate in the 2011 census. There are several factors in which we have to work on, some of these are:

Lack of proper healthcare, drinking water, sanitation and nutrition especially in rural areas. India needs to develop facilities to improve on these parameters so that it can become a developed nation.

Let's Work these Out-Pg-12

Q.1 Look at data in Tables 1.3 and 1.4. Is Punjab ahead of Bihar in literacy rate etc. as it is in terms of per capita income?

Table 1.3: Per Capita Income of Select States

State	Per capita income for 2002-03 (in Rs.)
Maharashtra	1,04,000
Kerala	88,500
Bihar	27,200

Table 1.4: Some Comparative Data on Maharashtra, Kerala and Bihar

State Infant Mortality Rate per 1,000 live births (2012)	Literacy Rate% 2011	Net attendance Ratio (per 100 persons) secondary stage (age 14 and 15 years) 2009-10	
		2011	2010
Maharashtra	25	82	64
kerala	12	94	78
Bihar	43	62	35

Explanation of some of the terms used in this table.

Infant Mortality Rate (IMR) indicates the number of children that die before the age of one year as a proportion of 1000 live children born in that particular year.

Literacy Rate measures the proportion of literate population in the 7 and above age group.

Net Attendance Ratio is the total number of children of age group 6-10 attending school as a percentage of total number of children in the same age group.

Ans.: We can notice that Infant mortality rate is 25, 12, and 43 in different states named Maharashtra, Kerala, and Bihar respectively. Literacy rate is 82, 94 and 62 in the same states and if we talk about net attendance ratio then it is 64, 78, and 35 respectively. So, it can be said that Maharashtra is at the second number in literacy rate. Kerala is at the top in literacy rate and Bihar is very far from these two states if we compare the literacy rate.

Q.2 Think of other examples where collective provision of goods and services is cheaper than individual provision.

Ans.: In factories where goods and services are produced at mass scale, in mining areas and in manufacturing units where also goods are produced and manufactured in bulk. So, few merchants prefer to sell their goods in wholesale and they don't want any kind of mediator in their work and all they want is that customers should come to them and purchase goods and services from them so here both seller and buyer is benefitted in their own ways. Therefore it can be said that collective of goods and services is cheaper than individual provision.

Q.3 Does availability of good health & educational facilities depend only on amount of money spent by the government on these facilities? What other factors could be relevant?

Ans.: The availability of good health and educational facilities does not solely depend on amount of money spent rather in this case health facilities are dependent on the capabilities of the doctors and quality of

medicines and quantity of staff their behavior towards patients and many more factors are there. So it would be wrong to say that it is solely dependent on money.

Q.4 In Tamil Nadu, 75% of the people living in rural areas use a ration shop, whereas in Jharkhand only 8% of rural people do so. Where would people be better off and why?

Ans.: In Tamil Nadu, 75% people are living in rural areas and they use ration shop, whereas in Jharkhand only 8% of rural people are living there use a grocery store, so clearly we can see that people are doing better in Tamil Nadu as there are 75% of people are being provided the facilities by the Public Distribution System. And on the second hand people of Jharkhand are not in good condition.

Exercises

Q.1 Development of a country can generally be determined by

- A. its per capita income
- B. its average literacy level
- C. health status of its people
- D. all of these

Ans.: Development of a country can be measured by any of these parameters. Throughout the world, health and education indicators along with income are used as a measure of development. Hence all 3 are parameter that determine the development level of a country. Option (D) is correct

Q.2 Which of the following neighboring countries has better performance in terms of human development in India?

- A. Bangladesh
- B. Sri Lanka
- C. Nepal
- D. Pakistan

Ans.: On looking our neighbor countries then we come to know that Sri Lanka is the country which has better performance than India. This country named Sri Lanka leads us in per capita income, healthcare and education and many more parameters which are used to determine and define the human development properly. Using these parameters one can easily judge the growth of its country.

Q.3 Assume there are four families in a country. The average per capita income of these families is Rs.5000. If the income of three families is Rs.4000, Rs.7000 and Rs.3000 respectively. What is the income of the fourth family?

- A. Rs.7500
- B. Rs.3000
- C. Rs.2000
- D. Rs.6000

Ans.: Average capital income = Rs 5000

Income of 1st family = Rs 4000

Income of 2nd family = Rs 7000

Income of 3rd family = Rs 3000

$$\text{Income of fourth family} = \frac{4000+7000+3000+x}{4}$$

$$5000 = \frac{14000+x}{4}$$

$$20000 = 14000 + x$$

$$x = 6000$$

Q.4 What is the main criterion used by the World Bank in classifying different countries? What are the limitations of this criterion, if any?

Ans.: Criterion use by the World Bank in classifying the different countries is the per capita income method. In this method, the income of a country is divided by the total population which gives the average income of a country.

World development report which came in 2006 states that in 2004 countries with per capita income of Rs 4,5300 or above per annum is regarded as rich and countries with per capita income is Rs 37000 or less per annum as low-income countries. There are various limitations to this method because of the following reasons: 1) This method only tells us about the average income of a country but not about the unequal distribution of wealth. It does not explain the reasons for the rising gap between rich and poor. 2) The population is the significant factor here because countries with high population will tally low level of income. 3) Countries with high per capita income do not explain about the basic rights and facilities provided to the citizens.

Q.5 In what respect in the criterion used by the UNDP for measuring development different from the one used by the World Bank?

Ans.: UNDP is United Nation Developement Programme. It advocates for change and connects countries to knowledge, experience and resources to help people build a better life. The main difference between the UNDP and World Bank in terms of measuring development is that -

the World Bank depends upon a country's per capita income, and the UNDP uses a combination of factors like health, education and income to know about the development of a country.

Q.6 Why do we use averages? Are there any limitations to their use? Illustrate with your own examples related to development.

Ans.: The use of average is to compare income because it makes comparison between countries of different sizes easily. It removes that toughness or any kind of difficulty which is faced during calculation of per capita income.

It hides the differences in the distribution of income which is its limitation. As by calculating the total income it is not possible to get the average income of total people. That is the reason that the average income of the country is being compared which is said to be the total income which is divided by its population.

Limitations of using averages are as follows:

a) It can be used for comparison and it hides disparities so it is not suitable for any country in this way.

For example- There are two countries A and B, where the per capita income may be the same

Country A: Most of the people have similar income

Country B: Few people are extremely rich while most of the people are extremely poor but the average comes out to be same as country A

So mostly people would like to live in country ‘A’ as it has more equitable distribution than country B.

b) Even though averages are useful for comparison but they hide disparities. Example: The literacy rate of a country does not differentiate between its different states, certain states (such as Kerala) may have higher literacy rate while some may have a lower literacy rate (like Bihar) but when we take the country’s average, this difference is not visible.

Q.7 Kerala, with lower per capita income has a better human development ranking than Punjab. Hence, per capita income is not a useful criterion at all and should not be used to compare states. Do you agree? Discuss.

Ans.: It can be noticed with the help of a report that Kerala with lower capita income has a better human development ranking in comparison to Punjab and to counter the inadequacy of this average, the human development Index is used.

Various factors are used by HDI for the comparison of the two states. Some of these factors are health, education, income etc. Per capita income is useful for the money index of states. So it can be easily said that the per capita income is one of the development factors and cannot be put away.

Q.8 Find out the present source of energy that is used by the people of India. What could be the other possibilities fifty years from now?

Ans.: The present source of energy that is used by the people of India is of various types like electricity, coal crude oil, cow dung and solar energy. If we look the possibilities of next 50 years then we can include ethanol, bio-diesel, nuclear energy etc. wind energy can be used in far more good

way. All these things can be used in better way to find out the present source of energy.

Q.9 Why is the issue of sustainability important for development?

Ans.: The issue of sustainability is important for development because of the passage of time the generation changes and with this change, society wants more and more benefits from the resources which are present in our nature. Because of the increasing needs of people of our society, things are decaying day by day and excessive use is making things worse. If the speed of using resources remains same then the available resources will be exhausted soon and our coming generation will stay deprived of all kind of needs.

The issue of sustainability is important for development because of the following reasons:

- a) The growth and development should be done by keeping in mind the future usage.
- b) If resources will not be sustained then our natural resources will stagnate after some time and no upcoming generation will be able to take advantage of these natural resources.

Q. 10 “The Earth has enough resources to meet the needs of all but not enough to satisfy the greed of even one person.” How this statement is relevant to the discussion of development? Discuss.

Ans.: “The earth has enough resources to meet the needs of all but not enough to satisfy the greed of even one person.” This can be said that this above written statement is relevant and accurate to discuss the development issue because in our nature there are sufficient amount of resources that are required for completing or meeting the needs of our society but these resources are being exploited badly by the people.

Renewable resources like groundwater can be replenished by the nature but nonrenewable resources cannot be replenished. So the role of sustainable development is very important as it can be attained by mix use of both renewable and non-renewable resources without any harm and the balance of environment must be kept in mind to fulfill the requirements of present and future generations.

Q.11 List a few examples of environmental degradation that you may have observed around you.

Ans.: List of examples of environmental degradation that we have observed around us is as follows.

- a) Excessive use or misuse of the natural resources is getting common now a days and it is causing the environmental degradation.
- b) Because of deforestation forests are rapidly turning into plain grounds.
- c) Falling level of ground water, soil erosion, water pollution, burning of fossil fuels etc. are leading towards environmental degradation.

Q.12 For each of the items given below in the Table 1.6, find out which country is at the top and which is at bottom.

Ans.: (i) Per Capita Gross National Income in US\$:

Top country: Sri Lanka

Bottom country: Nepal

(ii) Life expectancy at Birth:

Top country: Sri Lanka

Bottom Country: Myanmar and Pakistan

(iii) Literacy Rate for 15+ years population:

Top country: Sri Lanka

Bottom country: Pakistan

(iv) HDI rank in the World:

Top country: Sri Lanka

Bottom country: Nepal

Q.13 The following table shows the proportion of undernourished adults in India. It is based in a survey of various states for the year 2001. Look at the table and answer the following questions.

State	Male (%)	Female (%)
Kerala	22	19
Karnataka	36	38
Madhya pradesh	43	42
All states	37	36

(i) Compare the nutritional level of people in Kerala and Madhya Pradesh.

(ii) Can you guess why around 40 per cent of people in the country are undernourished even though it is argued that there is enough food in the country? Describe in your own words.

Ans.:

(i) We can clearly look and notice that both the states have different nutritional level. 22% and 19% men and women respectively are undernourished in Kerala and on the other hand in Madhya Pradesh the respective percentages of male and female that are undernourished 43%

and 42%, which clearly tells that Kerala has better nourished people than Madhya Pradesh.

(ii) Often it is said that there is enough amount of food present in our country that can easily complete the needs of people but still 40% of our country's population is unnourished this is because of the wrong and unsystematic distribution of food among population which again leads to discrimination and because of which people stay unnourished.

Few states in the country ensure proper running of grocery stores and other public distribution system which benefits the weaker section of any society. Grocery stores which are under the public distribution system help the population in maintaining the nutritional status of the people by making food availability.

Chapter 2

Sectors of the Indian Economy

Let's Work these Out-Pg-21

Q.1 Complete the given table to show how sectors are dependent on each other.

Example	What does this show ?
Imagine what would happen if farmers refuse to sell sugarcane to a particular sugar mill. The mill will have to shut down.	This is an example of the secondary or industrial sector being dependent on the primary,
Imagine what would happen to cotton cultivation if companies decide not to buy from the Indian market and import all cotton they need from other countries. Indian cotton cultivation will become less profitable and the farmers may even go bankrupt, if they cannot quickly switch to other crops. Cotton prices will fall.	
Farmers buy many goods such as tractors, pump sets, electricity equipments, pesticides and fertilizers. Imagine what would happen if the price of fertilizers or pump sets go up. Cost of cultivation of the farmers will rise and their profits will be reduced.	
People working in industrial and service sector need food. Imagine what would happen if there is a	

strike by transporters and lorries refuse to take vegetables, milk, etc. from rural areas.

Food will become scarce in urban areas whereas farmers will be unable to sell their products.

Ans.:

Example	What does this show ?
Imagine what would happen if farmers refuse to sell sugarcane to a particular sugar mill. The mill will have to shut down.	It shows that secondary sector is being dependent on the primary sector. Secondary sector is also known as industrial sector.
Imagine what would happen to cotton cultivation if companies decide not to buy from the Indian market and import all cotton they need from other countries. Indian cotton cultivation will become less profitable and the farmers may even go bankrupt, if they cannot quickly switch to other crops. Cotton prices will fall.	It shows that how the primary sector is dependent on the secondary or industrial sector.
Farmers buy many goods such as tractors, pump sets, electricity equipments, pesticides and fertilizers. Imagine what would happen if the price of fertilizers or pump sets go up. Cost of cultivation of the farmers will rise and their profits will be reduced.	It shows the examples of the primary sector as agriculture is categorized under this sector which is dependent on the secondary sector under which industry is categorized.
People working in industrial and service sector need food. Imagine	Here it shows that how the primary sector is being dependent on the

what would happen if there is a strike by transporters and lorries refuse to take vegetables, milk, etc. from rural areas.

Food will become scarce in urban areas whereas farmers will be unable to sell their products.

Q.2 Explain the difference between primary, secondary and tertiary sectors using examples other than those mentioned in the text.

Ans.: The difference between different types of sectors is as follows:

Primary Sector	Secondary Sector	Tertiary Sector
(i) This sector is concerned with the extraction and production of various types of natural resources.	This sector consists of the materials which are already being extracted at the primary stage and gets processed.	This sector deals with the various support services which are concerned to primary and secondary sector.
(ii) For example-Mining, poultry, agriculture.	For example-Making jewellery from Gold.	For example-insurance.

Q.3 Classify the following list of occupations under primary, secondary and tertiary sectors:

- Tailor
- Workers in match factory
- Basket weaver
- Money lender
- Flower cultivator
- Gardener
- Milk vendor
- Potter

- Fishermen
- Bee-keeper
- Priest
- Astronaut
- Courier
- Call centre employee

Ans.: Above mentioned occupations are categorized as follows...

Primary Sector	Secondary Sector	Tertiary Sector
Flower cultivator	Basket weaver	Tailor
Fishermen	Workers in match factory	Milk vendor
Gardener	Bee-keeper	Priest
Potter		Courier
		Money lender
		Astronaut
		Call centre employee

Q.4 Students in a school are often classified into primary and secondary or junior and senior. What is the criterion that is used? Do you think this is a useful classification? Discuss.

Ans.: Students in a school are often classified into primary and secondary or junior and senior. This is the criteria which are used to easily identify the standard of a student, whether to identify the standard of a student or to know about his nature towards other students and teachers or to know the students' knowledge. So these are the few basics on which students are classified into different categories or classes. There is no any kind of Casteism it's just the way to know which student is senior or junior which is average, which is topper or which one is at the low level.

And yes, in my opinion this kind of classification is useful as it is not possible to classify them all on the basis of their age.

Let's Work these Out-Pg-23

Q.1 What does the history of developed countries indicate about the shifts that have taken place between sectors?

Ans.: The history of developed countries indicate about the shifts that have taken place between sectors that from then to now there has been a major shift from the secondary sector which means manufacturing industries to the tertiary sector or service sector, which has become the most important sector of the country's economy and most number of people are employed in this sector in the developed countries which means a lot of changes can be noticed if we look up at history once.

Q.2 Correct and arrange the important aspects for calculating GDP from this jumble.

To count goods and services we add the numbers that are produced.

We count all those that were produced in the last five years.

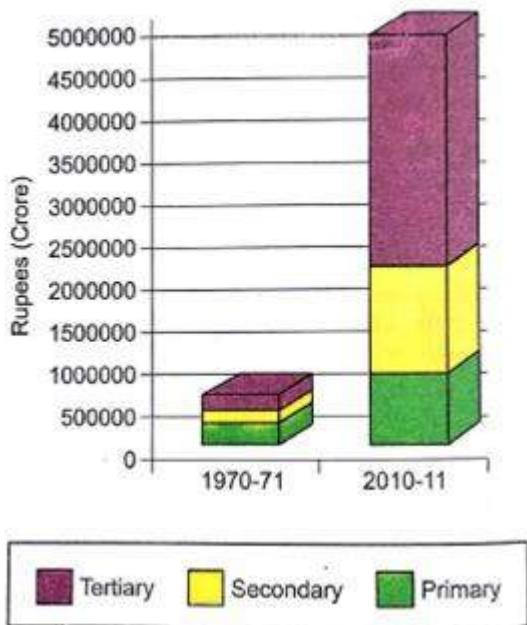
Since we shouldn't leave out anything we add up all these goods and services.

Ans.: We count the value of all the final goods and services that were produced in a particular year. Gross domestic product itself shows that what is the flow of goods and services in a financial year in an economy. And to calculate GDP it's necessary to count all the final goods and services which are produced in a particular year.

Let's Work these Out-Pg-24

Q.1 Answer the following questions by looking at the graph

Graph 1 : GDP by Primary, Secondary and Tertiary Sectors



- (i) Which was the largest producing sector in 1971-72?
- (ii) Which is the largest producing sector in 2011-12?
- (iii) Can you say which sector has grown the most over, forty years?
- (iv) What was the GDP of India in 2011-12?

Ans.:

- (i) In 1971-72 the largest producing sector was primary sector.
- (ii) In 2011-12 the largest producing sector is tertiary sector.
- (iii) The tertiary sector has grown the most over forty years.
- (iv) The total GDP of India in 2011-12 was 2,10,000 crore rupees.

Let's Work these Out-Pg-27

Q.1 Complete the table using the data given in Graphs 2 and 3 answer the question that follows.

TABLE 2.2 SHARE OF PRIMARY SECTOR IN GDP AND EMPLOYMENT			
	1971-72	1972-73	2011-12
Share in GDP			
Share in employment			

What are the changes that you observe in the primary sector over a span of thirty years?

Answer :

Graph 2: Share of Sectors in GDP (%)

TABLE 2.2 SHARE OF PRIMARY SECTOR IN GDP AND EMPLOYMENT			
	1971-72	1972-73	2011-12
Share in GDP	40%	49%	12%
Share in employment	0%	74%	49%

From the table it can be noticed that the share in GDP has reduced drastically from 40% to 12%, as it was 40% in 1971-72 then it increased 9% in 1972-73 and in 2011-12 it has become 12% only. And the share in employment was 0% in 1971-72 and in 1972-73 it has increased upto 74% after that in 2011-12 again it reduced and came down as it remained 49% only.

Q.2 Choose the correct answer:

Underemployment occurs when people:

- A. Do not want to work
- B. Are working in a lazy manner
- C. Are working less than what they are capable of doing
- D. Are not paid for their work

Ans.: It is very clear that underemployment occurs when various people are working less than what they are capable of doing. It is also known as hidden unemployment because of no job opportunities people are unable to find the other job and the place where they are working is already full of employees so there is no need of other employees still these people who don't have any other works are engaged in this.

Q.3 Compare and contrast the changes in India with the pattern that was observed for developed countries. What kinds of changes between sectors were desired but did not happen in India?

Ans.: Secondary and tertiary sectors are increasing at a rapid speed and especially tertiary sector is increasing and its contribution in developing the economy of our country has been more always. It renders many job opportunities so that people are able to earn their livelihood. If India wants to become a strong industrialized nation then not the growth of only tertiary sector but all sectors must be grown at equal rate so that it can work properly for a better and bright economy.

Q.4 Why should we be worried about underemployment?

Ans.: We should be worried about unemployment because if there is no job then how will people survive. Our nation will become poorer and will

never be grown at any cost. It is said that if we want a strong and bright future then base must be strong and hard so that no can harm it any cost. So, if there is no employment then how will people be able to get the education and how will they serve their economy and besides this there are many more reasons that we must be worried about unemployment. Only because of employment a person is able to serve and survive without this nothing will be possible.

Let's Work these Out-Pg-29

Q.1 Why do you think NREGA 2005 is referred to as 'Right to Work'?

Ans.: National Rural Employment Guarantee Act 2005 was launched by the government to provide job opportunities so that people might be able to earn their livelihood. It guarantees at least 100 days work for one member of each family. This program fulfills one of the fundamental rights as per the Constitution and the right is 'Right to work'.

Every citizen of a country has the right to work and if government is unable to provide more and more job opportunities then it will have to pay daily wages especially to those sections of society who are impoverished. This is why this programme is called 'Right to Work'.

Q.2 Imagine that you are the village head. In that capacity suggest some activities that you think should be taken up under this Act that would also increase the income of people? Discuss.

Ans.: Activities are as follows..

(i) Water conservation and water harvesting is the most important things that must be included under this Act.

(ii) To stop the problem of drought tube wells must be dug.

- (iii) To irrigate the canals for crops irrigation panels must be set up.
- (iv) To make provision of irrigation facility on the lands of SCs and STs and others.
- (v) Renovation of traditional water bodies like tanks.
- (vi) Land must be developed for agriculture and horticulture.
- (vii) To control flood and to protect from any such disasters check dams must be constructed.
- (viii) To improve rural connectivity and to provide all weather access to the villages roads must be constructed.

Q.3 How would income and employment increase of farmers were provided with irrigation and marketing facilities?

Ans.: (i) All the farmers require transporting their products to a nearby town for sales and if the government invests money in transportation and storage of crops or for the betterment of rural roads so that mini trucks and other vehicles can reach everywhere.

(ii) If any dam is constructed and canals are dug to solve the issue of irrigation then the agricultural land could lead to a lot of employment generation within the agricultural sector itself.

Q.4 In what ways can employment be increased in urban areas?

Ans.: To increase the employment opportunities in urban areas:

(i) It is necessary to invest in the basic industries so that more and more people should be employed.

- (ii) To improve the local and inter city transportation which will increase the number of people working in the transportation industry.
- (iii) Increasing of vocational education courses which will increase the job opportunities in other ways also due to which people can easily educate themselves for the vocation jobs.
- (iv) By giving incentives the capacity of industry in the urban areas employment opportunities can be increased.

Let's Work these Out-Pg-31

Q.1 Look at the following examples. Which of these are unorganized sector activities?

- (i) A teacher taking classes in a school.
- (ii) A head load worker carrying a bag of cement on his back in a market.
- (iii) A farmer irrigating her field.
- (iv) A doctor in a hospital treating a patient.
- (v) A daily wage labourer working under a contractor.
- (vi) A factory worker going to work in a big factory.
- (vii) A handloom weaver working in her house.

Ans.: Unorganized Sector's example is as follows..

- (ii) A head load worker carrying a bag of cement on his back in a market.
- (iii) A farmer irrigating her field.
- (v) A daily wage labourer working under a contractor.
- (vii) A handloom weaver working in her house.

Q.2 Talk to someone who has a regular job in the organized sector and another who works in the unorganized sector. Compare and contrast their working conditions in all aspects.

Answer :

The comparison of Working Conditions in the Organized and Unorganized Sectors is as follows:

Organized Sector	Unorganized Sector
a) In organized sector workers work for fixed hours every day. In case of extra hours they are paid extra as per their work.	In unorganized sector workers have no fixed working hours but comparatively they work more than the workers of organized sector.
b) Salary is distributed on the monthly basis, usually on a fixed day of every month and there is no any kind of deduction for taking weekly leave.	Salary is paid on daily basis and sometimes not paid as they don't follow any rules and there is no any kind of weekly leave provided.
c) An appointment letter is given at the time of joining which states all the terms and conditions of work and company.	There is no any such kind of appointment letter and that is the reason they lose their employment without being given any advance notice.
d) Provident fund, gratuity, medical benefits and many more facilities are provided	No facilities are provided even all the workers work at risk.

Q.3 How would you distinguish between organized and unorganized sectors? Explain in your own words.

Ans.: Difference between organized sector and unorganized sector is as follows:

Distinction	Organized Sector	Unorganized Sector
What it means	Regular working hours and weekly off.	It has generally small units and businesses and shops etc.
Rules and Regulations Followed	All the rules are followed set up by the government.	No any rules are followed although these are set up by government for them as well as for organized sector.
Nature of Work and Employment	Work is normal and assured for long time and employees can't be expelled without any genuine reason.	No any reason is necessary for expelling the employee from the work. They can be expelled at any point of time without any notice.
Examples	A worker in a large factory and a clerk in an office.	Daily wage labourer or worker in a shop and a handloom weaver.

Q.4 The table below shows the estimated number of workers in India in the organized and unorganized sectors. Read the table carefully. Fill in the missing data and answer the questions that follow.

Sector	Organised	Unorganised	Total
Primary	1		232
Secondary	41	74	115
Tertiary	40	88	172
Total	82		

total in percentage			100%
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- What is the percentage of people in the unorganized sector in agriculture?
- Do you agree that agriculture is an unorganized sector activity? Why?
- If we look at the country as a whole, we find that....of the workers in India are in the unorganized sector. Organized sector employment is available to only about....of the workers in India.

Ans.: (i) The percentage of people in unorganized sector in agriculture is zero because as the proportion of agriculture sector people out of total number of people in unorganized sector is not mentioned over there so it means that the percentage is considered zero. Also we can consider that people were not engaged in agriculture at that time.

(ii) Yes, it can be said that agriculture in our country is an activity of the unorganized sector and the reasons are:

(a) People engaged in agriculture are not paid properly and not even on regular basis which is the first negative point.

(b) In the agriculture sector there is the issue of underemployment. More than required people are engaged in this sector.

(c) Farmers are dependent on moneylenders and relatives for their loan requirements.

(iii) If we look at the country as a whole, we find that 93% of the workers in India are in the unorganized sector. Organized sector employment is available to only about 7% of the workers in India.

Exercises

Q.1 Fill in the blanks using the correct option given in the bracket:

- (i) Employment in the service sector _____ increased to the same extent as production. (Has/has not)
- (ii) Workers in the _____ sector do not produce goods. (Tertiary/agricultural)
- (iii) Most of the workers in the _____ sector enjoy job security. (Organized/unorganized)
- (iv) A _____ proportion of laborers in India are working in the unorganized sector. (Large/small)
- (v) Cotton is a _____ product and cloth is a _____ product. (Natural/manufactured)
- (vi) The activities in Primary, secondary and tertiary sectors are _____. (Independent/Interdependent)

Ans.:

- (i) Has not
- (ii) Tertiary
- (iii) Organized
- (iv) large
- (v) Natural; manufactured
- (vi) Interdependent

Q.2A Choose the most appropriate answer:

The sectors are classified into public and private sectors on the basis of:

- A. Employment conditions
- B. The nature of economic activity
- C. Ownership of enterprises
- D. Number of workers employed in the enterprise

Ans.: The sectors are classified into two types which are named as private and public sectors. This classification is made on the basis of ownership of enterprises. Private sectors are those sectors which is the part of the economy, and sometimes known as the citizen sector also, which is run by private individuals or groups, usually as a means of enterprise for profit, the private sector is run by private individuals or groups specially for the means of profit and is not controlled by the state and on the other hand public sector works for social welfare keeping profit at a side it serves the people in many ways.

Q.2B Choose the most appropriate answer:

Production of a commodity, mostly through the natural process, is an activity in _____ sector.

- A. Primary
- B. Secondary
- C. Tertiary
- D. Information technology

Ans.: Production of a commodity, mostly through the natural process is an activity in primary sector. As we all know there are three sectors in an economy named as primary, secondary and tertiary. Basically primary sector belongs to the sector where agriculture is the very first activity we notice always. Products which are used here are milk, minerals and ores which are natural. These products become the cause of production of any commodity.

Q.2C Choose the most appropriate answer:

GDP is the total value of _____ produced during a particular year.

- A. All goods and services
- B. All final goods and services
- C. All intermediate goods and services
- D. All intermediate and final goods and services.

Answer: GDP or Gross Domestic Product is the total value of goods produced and services provided in a country during one year and is used to measure a country's economy. The data is collected by the Central Statistics Office (CSO) that falls under the leadership of the Ministry of Statistics and Program Implementation.

Q.2D Choose the most appropriate answer:

In terms of GDP the share of tertiary sector in 2003 is _____

- A. Between 20 per cent to 30 per cent
- B. Between 30 per cent to 40 per cent
- C. Between 50 per cent to 60 per cent
- D. 70 per cent

Ans.: In terms of GDP the share of tertiary sector in 2003 is 50% to 60%. Tertiary sector is also known as service sector as it provides services to population. It employs many different kinds of people. At one hand it employs highly skilled and educated workers and at the other hand large number of workers are engaged in services such as small shopkeepers, repair persons, transport persons, etc. In the year 2003, the tertiary sector has emerged as the largest producing sector in India replacing the primary sector.

Q.3 Match the following:

Problems faced by farming sector	Some possible measures
1. Unirrigated land	(a) Setting up Agro-based mills.
2. Low prices for crops	(b) Cooperative marketing societies
3. Debt burden	(c) Procurement of food grains by government
4. No job in the off season	(d) Construction of canals by the government
5. Compelled to sell their grains to the local traders soon after harvest	(e) Banks to provide credit with low interest

Ans.:

The correct match of the above is as follows:

1. Unirrigated land	d) Construction of canals by the government
2. Low prices for crop	(c) Procurement of food grains by government
3. Debt burden	(e) Banks to provide credit with low interest
4. No job in the off season	(a) Setting up Agro-based mills
5. Compelled to sell their grains to the local traders soon after harvest	b) Cooperative marketing societies

Q. 4 Find the odd one out and say why.

- (i) Tourist guide, dhobi, tailor, potter
- (ii) Teacher, doctor, vegetable vendor, lawyer
- (iii) Postman, cobbler, soldier, police constable
- (iv) MTNL, Indian Railways, Air India, SAHARA Airlines, All India Radio

Ans.: (i) Among these four occupations tourist guide is the odd one because dhobi, tailor, potter all these three belong to private sector they do their work for profit only and can start working at any point of time and anywhere even at small scale but for a tourist guide these things are not that easy and first of all a tourist guide is appointed by the government and he serves the foreigners and but do not work just for profit.

(ii) Among these persons teacher, doctor, vegetable vendor, lawyer vegetable vendor is the odd one because to be a teacher, doctor, lawyer you must have skills and education which will be helpful in your in establishing your career as these occupations but for vegetable selling education does not matter that much because an uneducated person can also sell vegetables and all what it needs just good communication and calculation which depends on environment and not that big deal.

(iii) Among postman, cobbler, soldier, police constable, the cobbler is odd one because the profession of a cobbler belongs to public sector and at the same time it belongs to illiterate community and impoverished people. But on the other side postman, soldier, police constable these are the people who belong to literate community and basically they are from good family background not that much poor and bad.

(iv) Among these companies named as MTNL, Indian Railways, Air India, SAHARA Airlines, ALL India Radio, the odd one is SAHARA Airlines. Because it is a private enterprise while others are owned by the government.

Q.5 A research scholar looked at the working people in the city of Surat and found the following:

Place of work	Nature of employment	Percentage of working people
In offices and factories registered with the government	-	15
Own shops, office, clinics in market places with formal license	-	15
People working on the street, construction workers, domestic workers	-	20
Working in small workshops usually not registered with the government	-	-

Ans.:

In unorganized sector in the city the percentage of workers is 70%. And unorganized sectors are those under which people working on the street, construction workers, domestic workers, people working in small workshops usually not registered come .

The complete table is as follows:

Own shops, office, clinics in market places with formal license	Organized	15
People working on the street, construction workers, domestic workers	Unorganized	20

Working in small workshops usually not registered with the government	Unorganized	50
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Q.6 Do you think the classification of economic activities into primary, secondary and tertiary is useful? Explain how?

Ans.: Yes in my opinion the classification of economic activities into primary, secondary and tertiary sectors is very useful because classification will help us in identifying which activity is related to which sector. And besides this there are several reasons as follows:

- a) The very first point which will be known that how many people and where are they employed in any country.
- b) If development will be seen only in tertiary sector then it means that agriculture which is related to primary sector is deducting day by day and by noticing the rise and fall in both sectors government will be able to take strong action towards the improvement wherever it is required.

This is why to improve the sectors and to run the economy smoothly and for best administration and development, classification of economic activities is necessary.

Q.7 For each of the sectors that we came across in this chapter why one should focus on employment and GDP? Could there be other issues which should be examined? Discuss.

Answer: There are different reasons to support that one should focus on employment and GDP:-

- (a) If we focus on employment and GDP then size of a country's economy can be determined easily.
- (b) To easily determine the other issues about economy Per Capita Income and Productivity are very important things to know about in detail, which can be calculated by focusing on employment and GDP.

Q.8 Make a long list of all kinds of all kinds of work that you find adults around you doing for a living. In what way can you classify them? Explain your choice.

Ans.: There are several kinds of work in which people are engaged living in our society. Their jobs can be classified as follows:

Jobs	Sectors
Teacher	Organized sector
Doctor	Organized sector
Vegetable Vendor	Public Sector
Lawyer	Organized sector
Postman	Organized sector
Soldier	Public Sector
Police Constable	Public Sector
Tourist guide	Organized sector
Dhobi	Public Sector
Tailor	Public Sector

Q.9 How is Tertiary sector different from other sectors? Illustrate with a few examples.

Ans.: The main thing is that tertiary sector is also known as service sector. The difference is that tertiary sector is different from other sectors because

it supports the process of production but does not produce goods. Also it covers the many more area which comes under unemployment.

All activities generate employment rather than goods which is the reason that tertiary sector is called service sector and it helps in the development of primary and secondary sector.

For example- Transportation, Storage, Communication, banking etc. are the examples of this sector because instead of producing products it produces employment which helps in the development of other sectors also.

Q.10 What do you understand by disguised unemployment? Explain with an example each from the urban and rural areas.

Ans.: Disguised unemployment refers to a kind of employment where people engaged in a work more than requirement. It is also known as hidden unemployment because we can't see the people employed here are more than required. The situation of disguised unemployment basically arises when more and more people start working at the place where there is less need of more workers.

For example: It can be observed in the rural areas where all the members of a family of a farmer are working in a farm where only 3 members are required but 6 members are working in that field which means the other 3 person working in that farm are unemployed which will be categorized under disguised unemployment. The reason behind their working in the same farm is lack of jobs in urban areas as well as in rural areas. In urban areas also disguised unemployment can be seen in the service sectors.

Q.11 Distinguish between open unemployment and disguised unemployment.

Ans.:

Open unemployment	Disguised unemployment
Open employment refers to the situation in which an individual has no job and unable to earn his livelihood.	(i) Disguised unemployment refers to the situation in which people work at a place where there is no more people are required. The situation in which people are apparently working but all of them are made to work less than their potential.
This Open unemployment is Clearly visible.	This unemployment is hidden.
People's unemployment will affect the production of goods and services is an economy.	People's unemployment won't affect the production of good and services because here already more than requirement of people are working so if they leave that's not a big deal.

Q.12 “Tertiary sector is not playing any significant role in the development of Indian economy.” Do you agree? Give reasons in support of your answer.

Ans.: We do not agree with this statement because the tertiary sector has become the most critical sector of our economy concerning both employment and GDP. This sector contributes around 60% off our GDP and more than 25% of our population is engaged in this sector. The tertiary sector will further grow because of the rise in income and demands of the people.

Q.13 Service sector in India employs two different kinds of people. Who are these?

Ans.: As we all know that service sector is also known as tertiary sector. And tertiary sector employs more and more people. It employs two different kinds of people and one of them is the workers that are well educated and highly skilled. And the other is the workers who are engaged in services such as small shopkeepers, mechanics, transport, persons, etc. And these poor people barely get the time to manage their own livelihood.

Q.14 Workers are exploited in the unorganized sector. Do you agree with this view? Give reasons in support of your answer.

Ans.: Yes, we do agree with this view that workers are exploited in the unorganized sector. The following reasons support the answer:

- 1) In this sector, there are small and scattered units which are out of control of the government. Certain rules and regulations are set up by the government, but none follow the rules. People are compelled to work and not even paid on time.
- 2) Workers generally have fixed working hours of 10-12 hours. But, they are given fewer wages and are also not paid for the overtime hours.
- 3) There is no job security and people can be asked to leave their jobs anytime.
- 4) Workers do not get any allowances apart from the fixed wages.
- 5) Usually, they are in heavy debts, and there are no such provisions in their support.

Q.15 How are the activities in the economy classified on the basis of employment conditions?

Ans.: In the economy, activities are classified on the basis of employment in following way:

- a) Organized sector: This sector refers to the sector where the terms of employment are regular and people have assured work. In this sector all the occupations are registered by the government and followed the rules set up by them. Workers of organized sectors enjoy security of employment.
- b) Unorganized sector: This sector refers to the small and scattered units which are largely outside the control of the government. Rules in this sector are set up by the government as in organized sectors but these rules are not followed by any of workers in this sector.

Q.16 Compare the employment conditions prevailing in the organized and unorganized sectors.

Ans.:

Organized sector	Unorganized sector
(i) In this sector the terms of employment are regular and people have assured work.	(i) In this sector the terms of employment are regular but people are never sure for their work, they can be expelled from the job at any point of time.
(ii) These sectors are officially registered by the government and they have to follow these official rules which are provided in various laws such as the factories act, minimum wages act, etc.	(ii) In this sector registration of any occupation is mandatory. They don't have to follow any rules and regulations which are set up by the government.
(iii) This sector has formal procedures to follow.	(iii) This sector has no formal procedures to follow.

(iv) The workers work only for the fixed time, and if they work more they are paid more.	(iv) No time is fixed and even they don't get the payment of their labour on time.
(v) Besides their earning various kinds of bonus from the employers like paid leave, payment during holidays, provident fund, pensions, gratuity, medical benefits etc.	(v) No provisions for overtime, no paid leave, holidays, leave due to sickness etc.

Q.17 Explain the objective of implementing the NREGA 2005.

Answer: NREGA is National Rural Employment Guarantee Act which is an Indian labour law and social security measure that aims to guarantee the right to work. And the main objective of implementing the NREGA is that all the people who are capable of and in need of work will get guaranteed 100 days' work and in case if the government fails to do so, then the government will give unemployment allowances to them. Such kind of work would greatly help in future to enhance the production from land will be given preference under this act. The act was implemented in 330 districts of India's as the Right to Work.

Q.18 Using examples from your area compare and contrast the activities and functions of private and public sectors.

Ans.: If we talk about public sector then in this the government owns most of the assets and gives all the services to public for example there is a government school in our locality and the activities of that school like children go for tours whether it is domestic or international all the expenses are done by government and students are honored by scholarships and many more things. But at the same time I noticed a hospital in the same locality and that hospital is private, there is no role of government in that hospital everything is a private asset of that hospital's owner. And the charges are very high sometimes patients can't afford. So,

private sector's ownership, assets and delivery of services are in the hands of the private individuals or companies.

Q.19 Discuss and fill the following table giving one example each from your area.

Ans.:

	Well-managed organisation	Badly-managed organisation
Public sector	MTNL	Air India
Private sector	Reliance Mobile	Satyam

Q.20 Give a few examples of public sector activities and explain why the government has taken them up.

Ans.: Public sector activities include provision of water, electricity and some modes of transport. Government has taken up them as if we look the most important needs of human then water and electricity are the basic ones. If these works like providing electricity and water is left to private enterprises, the later might exploit this opportunity and these at rates which the masses cannot afford. So, to fulfill the basic needs of humans including water and electricity the government of our country supplies these things at very low and affordable prices.

Q.21 Explain how public sector contributes to the economic development of a nation.

Ans.: Public sector contributes to the economic development in various ways:

- This sector creates more and more employment opportunity.
- It ensures easy availability of goods and services at moderate rates.

- c) It contributes to the development of community also.
- d) Development of financial resources is also generated by this sector.
- e) It encourages the development of small, medium and cottage industries which contribute in the development of a nation.

Q.22 The workers in the unorganized sector need protection on the following issues: wages, safety and health. Explain with examples.

Ans.: In unorganized sector there are small and scattered units which are largely out of the control of the government. This provides no kind of provision for overtime, paid leave, holidays, and no leave due to sickness as well.

a) Wages: Workers are exploited and not paid a fair wage for their labour. They need protection because of their low wages. Therefore fair wages should be paid to them so that their livelihood can be put on ease at some point.

b) Safety: There is no kind of safety provided to the workers working in the mines or fireworks factories. They face great risk of their life. Therefore security and attention must be rendered to them.

c) Health: The workers that work at unhygienic places and specially for infinite hours are found in the unorganized sectors and their health is at risk which must be the matter of deep consideration.

Besides these issues a large number of people are employed on their own. For example- sellers on the street or repair workers. Cobblers, vendors etc.

Q.23 A study in Ahmedabad found that out of 15, 00, 000 workers in the city, 11, 00, 000 worked in the unorganized sector. The total income of the city in this year (1997-1998) was Rs.60, 000 million. Out of this, Rs.32, 000 million was generated in the organized sector. Present this data as a table. What kind of ways should be thought of for generating more employment in the city?

Ans.:

	Organized sector	Unorganized sector	Total
No. of workers	4, 00, 000	11, 00, 000	15, 00, 000
Income	32, 000 million	28, 000 million	60, 000 million

Education must be at the top in the to do list of government if it wants to improve or increase the job opportunities in any area of any city. Without education no one will hire any illiterate person for work. If a person wants to work then he will have to generate skills and open up the mind to grab more and more things. More and more companies need to be brought under organised sector in order to generate more employment in the city. Basically if a person is educated having great skills then nothing is impossible for him. The more companies are brought the more jobs will be provided to the workers with higher and more secure wages. The government must provide loans and aid to companies transferring from unorganized to organized sectors.

Q.24 The following gives the GDP I rupees (Crore) by the three sectors:

Year	Primary	Secondary	Tertiary
1950	80,000	19,000	39,000
2011	8,18,000	12,49,000	28,18,000

- (i) Calculate the share of the three sectors in GDP for 1950 and 2011.
- (ii) Show the data as a bar diagram similar to Graph 2 in the chapter.
- (iii) What conclusion can we draw from the bar graph?

Ans.:

- (i) In the year 1950

$$\text{Total GDP (In 1950)} = 80,000 + 19,000 + 39,000$$

$$= 1,38,000 \text{ crore}$$

$$\text{Share (Primary sector)} = \frac{80,000}{1,38,000} \times 100\% = 57.97\%$$

$$\text{Share (Secondary sector)} = \frac{19,000}{1,38,000} \times 100\% = 13.76\%$$

$$\text{Share (Tertiary sector)} = \frac{39,000}{1,38,000} \times 100\% = 28.26\%$$

In the year 2011

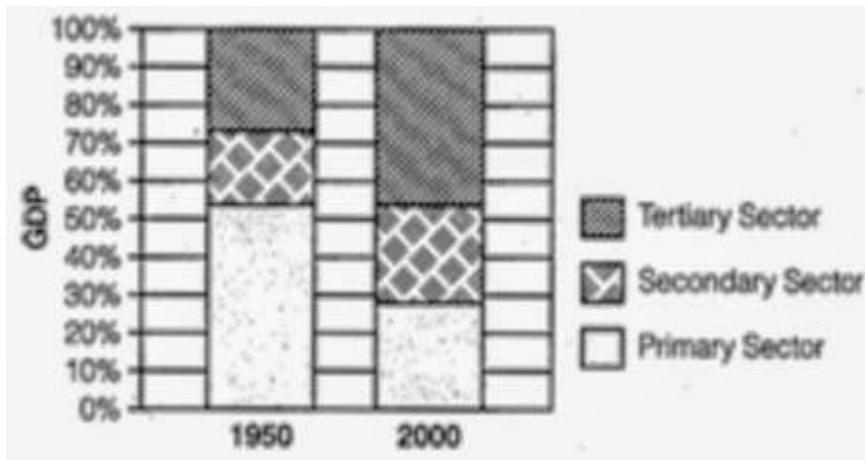
$$\text{Total GDP (In 2011)} = 8,18,000 + 12,49,000 + 28,18,000$$

$$= 4,885,000 \text{ crore}$$

$$\text{Share (Primary sector)} = \frac{8,18,000}{4,885,000} \times 100 = 16.75\%$$

$$\text{Share (Secondary sector)} = \frac{12,49,000}{4,885,000} \times 100 = 25.56\%$$

$$\text{Share (Tertiary sector)} = \frac{28,18,000}{4,885,000} \times 100 = 57.68\%$$



(iii) The conclusion can be drawn on behalf of results that the share of the tertiary sector in the GDP has almost doubled, while the GDP of the primary sector has been halved almost and the same situation is with the secondary sector which has grown up by about 10 % in the last five years. So, we saw that how the GDP of all the three sectors is changing and specially the much more change have been seen in the GDP of tertiary sector.

Chapter 3

Money and Credit

Let's Work these Out-Pg-40

Q.1 How does the use of money market easier to exchange things?

Ans.: Money is accepted as a medium of exchange and it serves as a unit of value. Besides these two things the problem or the issue of double coincidence of wants is also sorted with the help of money and thus these are the reasons that the use of money market is easier to exchange things without facing any kind of struggle.

Q.2 Can you think of some examples of goods and services being exchanged or wages being paid through barter?

Ans.: There are many examples of goods and services which are being exchanged through barter. Some of these are as follows:

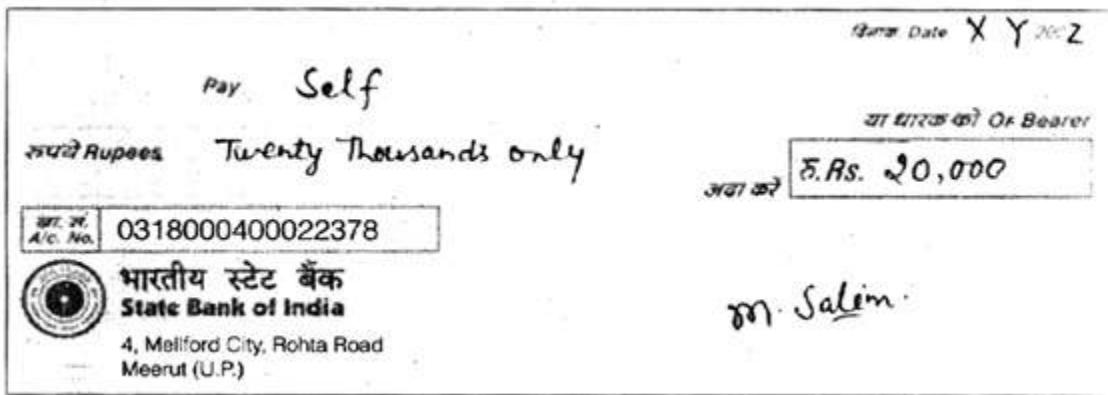
Let us take example of rural areas where in certain cases food grains are exchanged for other crops.

Also in many government schemes the labourers working there instead of getting paid with cash are provided with things like 4 kg of wheat per day of work.

Let's Work these Out-Pg-42

Q.1 M Salim wants to withdraw 20,000 in cash for making payments. How would he write on a cheque to withdraw money?

Ans.: The correct way to fill the cheque for withdrawing money is shown in the following diagram:



Q.2 Tick the correct answer. After the transaction between Salim and Prem,

- A. Salim's balance in his bank account increases, and Prem's balance increases.
- B. Salim's balance in his bank account decreases and Prem's balance increases.
- C. Salim's balance in his bank account increases and Prem's balance decreases.

Ans.: After the transaction between Salim and Prem. It is quite natural that if a person is transferring money in the other person's account then his account balance will decrease and the receiver's balance increase. And the same is with Salim and Prem when Prem transfers money from his account to Salim's account then his own balance decreases and Salim's account balance increased.

Q.3 Why are demand deposits considered as money?

Ans.: Demand deposits are considered as money because as we know that money refers to the demand deposits and that can be withdrawn when one needs them. And also this withdrawn money can be used for making

payments. So if demand deposits are considered as money then there is no issue because both can be used as substitutes one at the place of the other.

Let's Work these Out-Pg-44

Q.1 Fill the following table.

	Salim	Swapna
Why did they need credit?		
What was the risk?		
What was the outcome?		

Answer :

The correct fill for the following table is as follows:

	Salim	Swapna
Why did they need credit?	To fulfill the working capital needs.	To purchase commodities used during cultivation.
What was the risk?	Unknown risk or no risk at all.	Crops failure risk.
What was the outcome?	After earning profit repaid the debts.	Found her in the debt trap.

Q.2 Suppose Salim continues to get order from traders. What would be his position after six years?

Ans.: If Salim continues to get order from traders then after six years by using his sales profit he can easily finance his future business. Due to the profit from the sales he has no need to borrow money from any source. Already he will be much able to afford this much money to start even a

new business after 6 years. His profit will be double and in case if he borrows then he would be able to pay easily all his debts in time.

Q.3 What are the reasons that make Swapna's situation so risky? Discuss factors – pesticides, role of money lenders, climate.

Ans.: The reasons for Swapna's situation being risky are as follows:

- (a) The failure of crop due to either poor rainfall or attack on the crop by pests.
- (b) Her situation is becoming worse day by day as money lenders charge high interest rates and if she can't pay her debts they will forfeit her land too which results in decrement of her earning or maybe she becomes solvent for future.

Let's Work these Out-Pg-45

Q.1 Why do lenders ask for collateral while lending?

Ans. : Lenders ask for collateral while lending because if the payment of interest and payment of principal are not made on time then in that case the lenders can sell the collateral assets and recover their money. Collateral is used as a kind of mortgage when someone borrows money in bulk from the bank and in that case he has to assure the bank that its debt will be paid on time by him but if in case he couldn't then bank can sell that collateral and recover the money lent to that customer.

Q.2 Given that a large number of people in our country are poor, does it in any way affect their capacity to borrow?

Ans.: A large number of people in our country are poor and yes it affects the capacity to borrow in many ways. As we discussed in above question

about collateral and we all know that only the person who has money will have assets or collateral to keep as mortgage. But if the whole residents are poor then no one will be able to borrow as they don't have capacity to keep any mortgage or even borrow a penny from the bank. They mostly borrow from informal sectors like moneylenders, relatives and friends if the needed it.

Q.3 Fill in the blanks choosing the correct option from the brackets.

While taking a loan, borrowers look for easy terms of credit. This means..... (low/high) interest rate,..... (easy/tough) condition; for repayment,..... (less/more) collateral and documentation requirements.

Ans.: While taking a loan, borrowers look for easy terms of credit. This means low interest rate, easy condition; for repayment, less collateral and documentation requirements.

Let's Work these Out-Pg-47

Q. 1 List the various sources of credit in Sonpur.

Ans.: Various sources are as follows:

- (i) Village moneylender
- (ii) Traders
- (iii) Landowner as moneylender
- (iv) Commercial banks
- (v) Krishak co-operative society

Q.2 Underline the various uses of credit in Sonpur in the above passages.

Loans from Co-operatives Besides banks, the other major source of cheap credit in rural areas are the co-operative societies (or co-operatives). Members of a co-operative pool their resources for co-operation in certain areas. There are several types of co-operatives possible such as farmer's co-operatives, weaver's co-operatives, industrial workers co-operatives, etc. Krishak Co-operative functions in a village not very far away from Sonpur. It has 2300 farmers as members. It accepts deposits from its members. With these deposits as collateral, the Co-operative has obtained a large loan from the bank. These funds are used to provide loans to members. Once these loans are repaid, another round of lending can take place. Krishak Co-operative provides loans for the purchase of agricultural implements, loans for cultivation and agricultural trade, fishery loans, loans for construction of houses and for a variety of other expenses.

Ans.: Members of cooperative societies contribute their resources in order to cooperate certain areas. Now there may be various kinds of cooperative such as farmer, weaver, industrial workers etc. Krishak Cooperative functions in a village not very far away from Sonpur. It has a total member of around 2300 farmers. And it collects the deposits from its members. With the help of this collected amount as collateral, the cooperatives have received a large loan from the bank. They use this fund to give loans to the needed people. After getting the payment of debt Krishak cooperative give loans for the purchase of agricultural implements, loans for cultivation and agricultural trade, fishery loans, loans for construction of hoses and for a variety of other expenditures. Besides getting loans from the cooperative banks, the other major sources of getting cheaper credit in rural areas are the cooperative societies only.

Q.3 Compare the terms of credit for the small farmer, the medium farmer and the landless agricultural worker in Sonpur.

Ans.: (a) For small farmers:

- High rate of interest.
- It promises to sell crops to traders at low prices as repayment of loan.

(b) For medium farmer:

- Low rate of interest.
- Loan of several banks can be easily paid in the next 2-3 years.

(c) For landless agricultural workers of Sonpur:

- Borrowers pay their debt by working on land of their moneylenders or landowners so that in future again they will be able to borrow from that person in need.
- The rate of interest for these workers is high.

Q.4 Why will Arun have a higher income from cultivation compared to Shyamal?

Ans.: Arun will have a higher income from cultivation compared to Shyamal due to following reasons:

Arun gets a loan from a commercial bank at the interest rate of 8.5% per annum, whereas Shyamal gets loan from a village moneylender at the interest rate of 5% per month (i.e., 60% per annum). Arun has more calibers to pay bank loan as compared to Shyamal and also he gets a fresh loan in next three years. As Shyamal he is not restricted to sell his product

to the moneylenders who provide him a low price. He has the benefit of selling his product at market rates.

Q.5 Can everyone in Sonpur get credit at a cheap rate? Who are the people who can?

Ans.: No, everyone cannot get credit at a cheap rate. Only the following people are able to get it

- People having some collateral with them.
- People who have organised themselves into a cooperative society.
- The person who can fulfill the bank's formalities at the time of loan borrowing.

Q.6A Tick the correct answer.

Over the years, Rama's debt

- A. Will rise.
- B. Will remain constant.
- C. Will decline.

Ans.: Over the years, Rama's debt will rise because we know that time to time the amount keeps increasing by summing up the interest rate and late fee.

Q.6B Tick the correct answer.

Arun is one of the few people in Sonpur to take a bank loan because

- A. Other people in the village prefer to borrow from the moneylenders.

- B. Banks demand collateral which everyone cannot provide.
- C. Interest rate on bank loans is same as the interest rate charged by the traders.

Ans.: Arun is one of the few people in Sonpur to take a bank loan because it is necessary to provide collateral to the bank while borrowing and everyone in the village cannot provide collateral as Arun is able to do, therefore he can easily borrow having the capacity of paying the debts in future.

Q.7 Talk to some people to find out the credit arrangement that exists in your area. Record your conversation. Note the differences in the terms of credit across people.

Ans.: I talked to many people living in my area and asked them what are the terms and conditions when they apply for loan and from where do they borrow. Answers were different.

Few said that they don't borrow money as they can't afford to repay the debts on time so they stay away from borrowing and lending.

Few of them said that they borrow money from relatives and friends as there is low rate of interest required and sometimes no rate of interest as well.

Few of them said that they borrow money from commercial banks and bank charges high rate of interest and also ask for some collateral and many more documentation formalities etc.

So, these are some views of people regarding credit borrowing from different areas or communities.

Let's Work these Out-Pg-50

Q.1 What are the differences between formal and informal sources of credit?

Ans.:

Formal Sources of Credit	Informal Sources of Credit
Richer people can borrow easily as they have assets and guarantee of returning the debts on time.	Poorer people can't borrow because of lack of assets and any documents and incapability of returning the debts.
Interest rates are reasonably low	Interest rate are very high.
Banks and co-operative societies	Traders, moneylenders, landowners, etc.
Main motive here is social welfare.	Main motive here is profit.

Q.2 Why should credit at reasonable rates be available for all?

Ans.: The credit should be available at reasonable rates for all because through this reasonable rate and equality poor people would be able to borrow for their work of cultivation and other things too. This will make their life easy and far better than ever before. Suicidal attempts will be decreased as we know that because of inability of paying debts many farmers suicide. So credit at reasonable rates will put the life of farmers at ease.

Q.3 Should there be a supervisor, such as the Reserve Bank of India that looks into the loan activities of informal lenders? Why would its task be quite difficult?

Ans.: There must be a supervisor for checking the loan activities of informal lenders such as the Reserve Bank of India supervises other banks. The task would be quite difficult because informal sector includes several people who have their variety of business besides lending and the most important part to be noticed about these sectors are that they are not registered with the government and without registration there is a risk of fraud of any kind of mishappening with borrowers as well as with lenders of loan.

Q.4 Why do you think that the share of formal sector credit is higher for the richer households compared to the poorer households?

Ans.: The share of formal sector credit is higher for the richer households compared to the poorer households. There is a reason behind this statement that the richer households are in much better situation to give collateral and other necessary documents which the banks ask for while providing loan. Richer households also have a good capacity to pay the debts on time. They have means to exert pressure on the banks and the cooperatives to sanction loans.

Exercises

Q.1 In situations with high risks, credit might create further problems for the borrower. Explain.

Ans.: In situations with high risks, credit might create further problems for the borrower because sometimes when we take loan in a huge quantity and then such kind of situation comes that under that circumstances we become unable to pay the loan and at that time instead of ameliorating the earnings the credit drives the borrower in a condition where convalescence is very tough and agonizing. This situation is known as debt-trap. And in this situation the borrower is pressurized to pay his debts

at any cost, either by giving his collateral or his assets which can be useful to the lender in form of guarantee.

Q.2 How does money solve the problem of double coincidence of wants? Explain with an example of your own.

Ans.: (i) In barter system usually double coincidence of wants is found in which the goods are exchanged without the use of money. In this system, goods and services are exchanged in return of goods and services needed by the other person without any exchange of money. But the main deal is that both parties must have the goods and services which the other party is ready to buy or it is useful for him.

(ii) Money solves the issue in such a way that there is no need for the person to have the same thing the other one wants to buy. If a person has money then there is no matter to having the same required commodity or not. A person can buy anything he wants to. He can easily get exchanged the service or commodity.

(iii) For example- A shoemaker wants to buy some rice. In this situation the shoemaker has to find a person who is interested in buying his shoes and in exchange he will provide him rice so that both will be able to exchange the goods and services which are related to their needs. But if shoemaker had money then he could purchase whatever he wanted to buy from the market and in this way, he would be able to solve the deal easily.

Q.3 How do banks mediate between those who have surplus money and those who need money?

Ans.: Banks mediate between those who have surplus money and those who need money in a very systematic way and in order to manage both of them it:

- (i) Only keeps a very small amount of their deposits with them in form of cash so that they can pay to the depositors in case they wanted to withdraw the money at any point of time.
- (ii) Keeps major proportions of deposits to use in extending the area of loan provided.
- (iii) Charges higher rate of interest while providing loans than what they provide depositors at the time of deposits.
- (iv) Differentiates between what is charged from borrowers and what is paid to depositors. This is the main source of their income earning.

Q.4 Look at a 10-rupee note. What is written on top? Can you explain this statement?

Ans.: If we take a look at a 10-rupee note, then we would find the following words written on it:

RESERVE BANK OF INDIA

Guaranteed by the Central Government

I promise to

Pay the bearer

The sum of

Ten Rupees

Signature of the Governor of the Reserve Bank of India.

Explanation: After looking at a 10 rupee note we notice that there is mentioned on the very top the “Reserve Bank of India” which is followed by a statement “Guaranteed by the Central Government”. All the written things show that it is a promissory note which cannot be issued by anyone but the Reserve bank of India which surprises all money-related functions in the formal sector of India. This statement which is mentioned on the note of ten rupee connects to this idea that the RBI is the central organ in the working of money related issues.

Q.5 Why do we need to expand formal sources of credit in India?

Ans.: (i) After comparing to the formal lenders we found that the most of the informal lenders charge much higher interest on loans. Then informal loans cost borrowers much more high.

(ii) The higher cost of borrowing represents that a major proportion of the earning of the borrowers is used to repay the loans and due to which nothing has been left for their own.

(iii) High rate of interest of borrowing shows the amount to be rapid higher than income of the borrower and this way it leads increasing debt and debt-trap.

(iv) High cost of borrowing let not borrowers to start any kind of business even after wanting to do so.

(v) On looking at nation’s development we find that it is cheap and affordable credit which is essential for development. So, it is necessary for any country to expand its formal sources of credit.

Q.6 What is the basic idea behind the SHGs for the poor? Explain in your own words.

Ans.: SHG is self-help groups. It is an organisation having certain members who contribute their savings and constitute a fund. This fund is used in future for making finance and advances to other members, this process helps people to reduce the functioning of informal sectors of credit. It helps the borrowers to overcome their problem of lacking collateral, besides this it helps women also to become self-dependent and educated.

Q.7 What are the reasons why the banks might not be willing to lend to certain borrowers?

Ans.: Following are the reasons behind denial of lending loan to certain borrowers:

- a) The person who wants to borrow is unable to produce the certificate of earning that results in denying of his borrow request by the bank.
- b) Few people are not loyal and don't pay their debts on time.
- c) Few are unable to show their proper and complete documents to the bank at the time of borrowing that may later cause the problem.
- d) Few exhibit nothing to give as collateral to the bank.
- e) Few of them lacks witnesses as it is needed to assure the bank in case of non-availability of the person in future at the time of payment of his debts.

Q.8 In what ways does the Reserve Bank of India supervise the functioning of banks?

Ans.: Supervisory of the functioning of commercial banks is done by the Reserve Bank of India in following ways:

- (i) The functioning of formal sources of loans.
- (ii) It looks over the banks in maintenance of cash balance.
- (iii) It also keeps on checking that the banks instead of giving loans only to the profit making businesses and to the traders, they also provide loans to the small scale industries, small cultivators, small borrowers etc.
- (iv) With the passage of time the bank submits the information regarding lending and interest rates etc.

Q.9 Analyze the role of credit for development.

Ans.: Analysis of the role of credit for development:

- (i) It is a kind of agreement where a lender provides the money, goods and services to the borrowers in return of getting future payments on time.
- (ii) The credit is useful or not, it generally relies upon the risks and besides that some help in case of mishappening.
- (iii) If an individual borrows loan from the bank in order to increase the production of goods and services and to increase the boundary of his working area so that loan can be paid on time.

Q.10 Manav needs a loan to set up a small business. Manav will decide on whether to borrow from the bank or the moneylender? Discuss.

Ans.: Manav will decide on whether to borrow from the bank or the moneylender to set up his new business on the basis of various factors:

- (i) First of all he needs to have collateral or an asset through which guarantee could be provided of his loan. And in case he doesn't have any asset then loan can't be provided by the bank. In this situation he will have to pay a visit to moneylender even if the latter charges are of high interest rate.

(ii) If he is not aware of loan borrowing from the banks then he might not be able to borrow credit from it.

(iii) After many practices if he won't be able to find the loan then he has to visit any moneylender for this purpose of money borrowing.

Q.11 In India, about 80 per cent of farmers are small farmers, who need credit for cultivation.

(a) Why might banks be unwilling to lend to small farmers?

(b) What are the other sources from which the small farmers can borrow?

(c) Explain with an example how the terms of credit can be unfavorable for the small farmer.

(d) Suggest some ways by which small farmers can get cheap credit.

Ans.: (a) Banks might not be willing to lend to small farmers because it is aware of the situations and conditions a small farmer suffer from and in this case despite giving loan he won't be able to pay his debts and that will be the loss of bank. Neither a farmer has any such asset to put as mortgage nor would any kind of documental procedure be done by them.

(b) The farmers can borrow from moneylenders living nearby their villages or their relatives or friends. The other way is self-help groups, they too help them in lending loans to start any kind of small business if the farmer is suffering a lot and dying of starvation and some other issues. Cooperative banks may help them more in this matter.

(c) A small farmer may face the unfavorable conditions of credit in case if unfortunately the farmer has a bad crop, and is forced to either surrender his collateral or sell off a part of his land, in order to repay his loan. May

be because of weather or some natural disaster his all crop are destroyed and now he has not even a single penny to start any other business to repay his debts.

(d) Farmers can get a cheap credit at low interest rates or no interests from the self-help groups as they don't ask for any and cooperative banks shall be more helpful as they are their just to help the farmers their main motive of operating these banks is to help the farmers in bad situation.

Q.12 Fill in the blanks:

- (i) Majority of the credit needs of the.....households are met from informal sources.
- (ii)costs of borrowing increase the debt-burden.
- (iii)issues currency notes on behalf of the Central Government.
- (iv) Banks charge a higher interest rate on loans than what they offer on
- (v)is an asset that the borrower owns and uses as a guarantee until the loan is repaid to the lender.

Ans.: (i) Poor

- (ii) High
- (iii) Reserve Bank of India
- (iv) Deposits
- (v) Collateral

Q.13A Choose the most appropriate answer.

In a SHG most of the decisions regarding savings and loan activities are taken by:

- A. Bank
- B. Members
- C. Non-government organization

Ans.: In Self-help groups most of the decisions regarding savings and loan activities are taken by members because the funds are collected by the contribution of all the members of self-help groups so there is no any owner or worker, all are their own owner and own servants. They can just discuss and then take decisions where majority agree.

Q.13B Formal sources of credit does not include

- A. Banks
- B. Cooperatives
- C. Employers

Ans.: Formal sources of credit do not include employers as there is no role of these employers all these works are related to banks and the cooperatives. Employers are there merely to serve the bank staff and do the work as it is asked to do by their owner. Lal the major decisions are taken by the cooperatives, employers have to just follow those rules and regulations set up by the banks.

Q.14 The following table shows people in a variety of occupations in urban areas. What are the purposes for which the following people might need loans? Fill in the column.

Ans.; Correct fill the given table is as follows:

Occupations	Reason for needing a Loan
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Construction worker	To meet living expenses
Graduate student who is computer literate	To pursue higher education
A person employed in government service	For his/her daughter's wedding
Migrant labourer in Delhi	To buy a house
Household maid	To meet living expenses
Small trader	To buy new machinery
Auto rickshaw driver	To buy a new auto rickshaw
A worker whose factory has closed down	To meet living expenditure while still unemployed

Next, classify the people into two groups based on whom you think might get a bank loan and those who might not. What is the criterion that you have used for classification?

Those who might get a bank loan	Those who might not get a bank loan
Graduate student	Construction worker
A person employed in government service	Migrant labourer in Delhi
Small trader	Household maid
Auto-rickshaw driver	A worker whose factory has closed down

Chapter 4

Globalisation and the Indian Economy

Let's Work these Out-Pg-57

Q.1 Complete the following statement to show how the production process in the garment industry is spread across countries.

The brand tag says ‘Made in Thailand’ but they are not Thai products. We dissect the manufacturing process and look for the best solution at each step. We are doing it globally. In making garments, the company may, e.g., get cotton fibre from Korea,

Ans.: and buttons from France, design the garment in Italy, manufacture the cloth in China, stitch the garment in Thailand and sell it all over the world.

Let's Work these Out-Pg-59

Q.1 Read the passage and answer the questions.

Ford Motors, an American company, is one of the world’s largest automobile manufacturers with production spread over 26 countries of the world. Ford Motors came to India in 1995 and spent Rs 1,700 crore to set up a large plant near Chennai. This was done in collaboration with Mahindra and Mahindra, a major Indian manufacturer of jeeps and trucks. By the year 2004, Ford Motors was selling Rs 27,000 cars in the Indian markets, while, 24,000 cars were exported from India to South Africa, Mexico and Brazil. The company wants to develop Ford India as a component supplying base for its other plants across the globe.

Would you say Ford Motors is a MNC? Why?

Ans.: it is yes, as the company owns and control production units in many counties, with its head office in USA.

Q.2 Read the passage and answer the questions.

Ford Motors, an American company, is one of the world's largest automobile manufacturers with production spread over 26 countries of the world. Ford Motors came to India in 1995 and spent Rs 1,700 crore to set up a large plant near Chennai. This was done in collaboration with Mahindra and Mahindra, a major Indian manufacturer of jeeps and trucks. By the year 2004, Ford Motors was selling Rs 27,000 cars in the Indian markets, while, 24,000 cars were exported from India to South Africa, Mexico and Brazil. The company wants to develop Ford India as a component supplying base for its other plants across the globe.

What is foreign investment? How much did Ford Motors invest in India?

Ans.: Investment made by an MNC to buy fixed assets like land, building and machinery equipment in a host country is termed as foreign investment. Ford Motors invested Rs. 1,700 crore In India.

Q.3 Read the passage and answer the questions.

Ford Motors, an American company, is one of the world's largest automobile manufacturers with production spread over 26 countries of the world. Ford Motors came to India in 1995 and spent Rs 1,700 crore to set up a large plant near Chennai. This was done in collaboration with Mahindra and Mahindra, a major Indian manufacturer of jeeps and trucks. By the year 2004, Ford Motors was selling Rs 27,000 cars in the Indian markets, while, 24,000 cars were exported from India to South Africa, Mexico and Brazil. The company wants to develop Ford India as a component supplying base for its other plants across the globe.

By setting up their production plants in India, MNCs such as Ford Motors tap the advantage not only of the large markets that countries such as India provide, but also the lower costs of production. Explain the statement.

Ans.: To ensure profit maximization and cost cutting, MNCs generally set up production plants where

- (a) Proximity to market

- (b) Skilled / unskilled labour is available at a lower cost.
- (c) Availability of other factors of production is there.
- (d) Business friendly Government policies

Ford Motors has done the same by setting up a large plant near Chennai, as all the above conditions were met.

Q.4 Read the passage and answer the questions.

Ford Motors, an American company, is one of the world's largest automobile manufacturers with production spread over 26 countries of the world. Ford Motors came to India in 1995 and spent Rs 1,700 crore to set up a large plant near Chennai. This was done in collaboration with Mahindra and Mahindra, a major Indian manufacturer of jeeps and trucks. By the year 2004, Ford Motors was selling Rs 27,000 cars in the Indian markets, while, 24,000 cars were exported from India to South Africa, Mexico and Brazil. The company wants to develop Ford India as a component supplying base for its other plants across the globe.

Why do you think the company wants to develop India as a base for manufacturing car components for its global operations? Discuss the following factors

- (a) Cost of labour and other resources in India.
- (b) The presence of several local manufacturers who supply auto-parts to Ford Motors.
- (c) Closeness to a large number of buyers in India and China.

Ans.: The company wants to develop India as a base for manufacturing car components for the following reasons

- (a) Scores of local manufacturers are supplying car components to Ford's Chennai plant and the MNC has also found that the location would have greater connection to the rest of the market.

(b) Lower cost of labour and materials in India compared to markets like South Africa, Mexico and Brazil, will result in more profits for the MNC.

Q.5 Read the passage and answer the questions.

Ford Motors, an American company, is one of the world's largest automobile manufacturers with production spread over 26 countries of the world. Ford Motors came to India in 1995 and spent Rs 1,700 crore to set up a large plant near Chennai. This was done in collaboration with Mahindra and Mahindra, a major Indian manufacturer of jeeps and trucks. By the year 2004, Ford Motors was selling Rs 27,000 cars in the Indian markets, while, 24,000 cars were exported from India to South Africa, Mexico and Brazil. The company wants to develop Ford India as a component supplying base for its other plants across the globe.

In what ways will the production of cars by Ford Motors in India lead to interlinking of production?

Ans.: Ford Motors has taken the following steps which will lead to interlinking of production

(a) They have set up a production plant for cars in Chennai in partnership with a local company, Mahindra and Mahindra.

(b) They are asking the local companies of car parts for supplying parts for their cars manufactured in their production unit and are also planning for supplying these parts to their other car production units around the globe.

(c) They are closely competing with local companies in the Indian market in selling their cars and also using India as a base to export to other markets such as Mexico, South Africa etc.

Q.6 Read the passage and answer the questions.

Ford Motors, an American company, is one of the world's largest automobile manufacturers with production spread over 26 countries of the world. Ford Motors came to India in 1995 and spent Rs 1,700 crore to set up a large plant near Chennai. This was done in collaboration with Mahindra and Mahindra, a major Indian manufacturer of jeeps and trucks. By the year 2004, Ford Motors was selling Rs 27,000 cars in the Indian markets, while, 24,000 cars were exported from India to South Africa, Mexico and Brazil. The company wants to develop Ford India as a component supplying base for its other plants across the globe.

In what ways is a MNC different from other companies?

Ans.: Differences between a MNC and a normal company

MNC	Normal Company
A company which has its business operations and has huge capital base and technological know-how at its disposal.	They may not have huge financial resources, and is generally confined to narrow market space.
Production process is scattered across more than one country.	Production process is confined to domestic country.
Investments are made in several countries.	No investment in countries, other than home.

Q.7 Read the passage and answer the questions.

Ford Motors, an American company, is one of the world's largest automobile manufacturers with production spread over 26 countries of the world. Ford Motors came to India in 1995 and spent Rs 1,700 crore to set up a large plant near Chennai. This was done in collaboration with Mahindra and Mahindra, a major Indian manufacturer of jeeps and trucks. By the year 2004, Ford Motors was selling Rs 27,000 cars in the Indian markets, while, 24,000 cars were exported from India to South Africa, Mexico and Brazil. The company wants to develop Ford India as a component supplying base for its other plants across the globe.

Nearly all major multinationals are American, Japanese or European, such as Nike, Coca-Cola, Pepsi, Honda, Nokia. Can you guess why?

Ans.: America, Japan and most countries in Europe are developed countries with immense wealth. Companies in these countries have mastered their production and sales and have generated a large amount of additional funds and so they can work as MNCs.

Let's Work these Out-Pg-61

Q.1 What was the main channel connecting countries in the past? How is it different now?

Ans.: Trade was the main channel connecting the countries in the past. For example Silk route connected different countries of the world; as a result huge trade took place through this route. Trade in the past was restricted to finished goods being produced in one market and sold in other markets. In today's time beside trade; capital, technology, people and services-flow is also taking place all over the world. Today the world is connected in a way where production also takes place across different countries

Q.2 Distinguish between foreign trade and foreign investment.

Ans.: Trade between two or more countries in terms of goods and services is termed as foreign trade. It helps in connecting the markets of different countries across the world. Foreign Investment made by a MNC or a financial institution either in the capital market or in the fixed assets in another country is termed as foreign investment.

Q.3 In recent years China has been importing steel from India. Explain how the import of steel by China will affect.

(a) Steel companies in China.

- (b) Steel companies in India.
- (c) Industries buying steel for production of other industrial goods in China.

Ans.: (a) Steel supply in China will increase. The Chinese Steel companies will have to compete with Indian companies.

- (b) Steel companies in India have a new market available, they will be able to expand production to meet the Chinese market's demands in addition to the Indian market. They will also have to improve their quality, reduce the cost of production and try to capture the Chinese market.
- (c) Other Chinese industries using steel will be benefitted as they will have a greater choice at lower prices.

Q.4 How will the import of steel from India into the Chinese markets lead to integration of markets for steel in the two countries? Explain.

Ans.: Integration of markets for steel in the two countries will take place as follows

- (a) Due to imports from India, choice in the Chinese market will increase.
- (b) Producers of steel in both countries will compete with each other to get increased market share.
- (c) Prices of similar varieties of steel in the Indian and Chinese markets will fluctuate and tend to become equal after some time.

Let's Work these Out-Pg-62

Q.1 What is the role of MNCs in the globalization process?

Ans.: Globalization is the rapid integration of the global economy through which countries can connect on various levels. Globalization has ensured development in trade and communication with different countries. Over the last 20-30 years there has been a tremendous increase in globalization spearheaded by MNCs. MNCs are Multi-National Corporations or companies which have set up production in more than one country. MNCs set up production in countries where they get possibilities of lucrative return. Since the MNCs are producing as well as selling in many countries, they are interlinking the economies of these countries and thus speeding up globalization.

Q.2 What are the various ways in which countries can be linked?

Ans.: Some of the ways in which countries can be linked are:

- (1) The increased flow of goods among countries. By following the export and import practices.
- (2) The provision of services between countries (e.g., call centers, telemedicine).
- (3) Initiating foreign investments by the companies of one country in other countries.
- (4) Movement of people into one country from another for working there or for study or any other purpose.
- (5) Through the communication between different countries via internet (World Wide Web)
- (6) By promoting tourism.

Q.3 Choose the correct option.

Globalization, by connecting countries, shall result in

- A. lesser competition among producers.
- B. greater competition among producers.
- C. no change in competition among producers.

Ans.: Greater competition among producers. As the producers, from all over the world are competing in similar market arena, this has induced greater competition among them.

Let's Work these Out-Pg-63

Q.1 In the above example, underline the words describing the use of technology in production.

Ans.: The text of the magazine is sent through Internet. The designers in the Delhi office get orders on how to design the magazine from the office in London using telecommunication facilities. The magazines are sent by air to London. Payment of money for designing and printing from a bank in London to a bank in Delhi is done instantly through the Internet.

Q.2 How is information technology connected with globalization? Would globalization have been possible without expansion of IT?

Ans.: Information technology has fastened the pace of globalization. It has revolutionized the way interaction is done. Owing to its development, people can get connected to anyone, in every corner of the world, instantly. Except physical movement of products, every other transaction is possible through internet. Without it, Globalisation would have taken many more years to spread out, as the required information for taking any decision, would have taken more time to be communicated and thus would have delayed the pace of integration among countries.

Let's Work these Out-Pg-64

Q.1 What do you understand by liberalization of foreign trade?

Ans.: There are two restrictions on foreign trade (i.e., trade of goods and services between two sovereign nations) which are removed by liberalization of foreign trade.

(a) Entry Tax or Customs Duty: This is a mechanism, where by prices of imported goods are increased, to provide leeway to domestic players. However under liberalization, ideally there will be no customs duty on any imported product.

(b) Lifting of Quotas or Restrictions on the Quantity being imported: This generally provides cushion to domestic manufacturer from cut throat competition. However, under liberalization, there will be no restrictions on the quantity of goods, except in rare condition, which would make the domestic firms face higher level of competition.

Q.2 Tax on imports is one type of trade barrier. The government could also place a limit on the number of goods that can be imported. This is known as quotas. Can you explain, using the example of Chinese toys, how quotas can be used as trade barriers? Do you think this should be used? Discuss.

Ans.: In the case of Chinese toys, quotas should be used as trade barriers judiciously to protect the Indian producers of a similar nature of toys which are being imported. It should be used in a manner so that both Indian and Chinese toys compete on an equal footing in the Indian market. This will lead to a healthy and reasonable competition which will improve the quality of toys. Also, it would prompt Indian manufacturers to earn only reasonable profits. If Chinese toys were totally restricted, Indian manufacturers will be tempted to lower their quality and increase prices, thus harming the customers. On the other hand, if there are no quota restrictions on Chinese toys, China will ‘dump’ toys in the market,

reducing the sales of the Indian producer and also harming the customer, as then the customer will not have a free choice at a competitive price.

Let's Work these Out-Pg-66

Q.1 Fill in the blanks.

WTO was started at the initiative of countries. The aim of the WTO is to..... . WTO establishes rules regarding for all countries, and sees that..... . In practice, trade between countries is not..... . Developing countries like India have....., whereas developed countries, in many cases, have continued to provide protection to their producers.

Ans.: Solution has been given in the chronological order:

Developed, liberalize international trade, international trade, they are obeyed, free and fair, removed trade barriers.

Q.2 What do you think can be done so that trade between countries is more fair?

Ans.: Trade between countries would be fairer if both the countries removed trade barriers and allowed the free flow of goods and services, and let the market forces of demand and supply decide the volume of goods that will be transacted between countries.

Q.3 In the above example, we saw that the US Government gives massive sums of money to farmers for production. At times, governments also give support to promote production of certain types of goods, such as those which are environmentally friendly. Discuss whether these are fair or not.

Ans: Government intervention distorts the forces of demand and supply. Such intervention, gives undue advantage to those producers who receives

government assistance over those who doesn't. Such intervention also leads to poor resources usage, as the producer then would not take enough steps to increase efficiency of the production process. However, in a country which is underdeveloped or developing, such intervention be allowed to be made on principled lines, to boast the already fragile domestic market.

Let's Work these Out-Pg-67

Q.1 How has competition benefitted people in India?

Ans.: Competition from imported goods has benefitted people in India in the following ways

- (a) Indian producers have improved their technology and quality to compete with foreign goods.
- (b) Prices of Indian goods have reduced to match those of foreign goods and so buyers of these items have benefitted.
- (c) Some Indian companies have entered into collaboration with the foreign companies and some MNCs have invested in Indian companies, thus benefiting both. There has been increased joint ventures between foreign and Indian companies which have improved the business of both and also created employment opportunities.

Q.2 Should more Indian companies emerge as MNCs? How would it benefit the people in the country?

Ans.: Yes they should, because this would benefit Indian people in following ways:

- (a) Profit earned by Indian MNCs, would improve foreign exchange position of India.
- (b) Provide employment to more Indian people, and this would improve their standard of living.
- (c) Would increase the tax pool of the government.

Q.3 Why do governments try to attract more foreign investment?

Ans.: Governments try to attract more foreign investment for the following reasons

- (a) It provides necessary capital for undertaking economic activities, which would in turn boast GDP growth.
- (b) Leads to increased employment opportunities.
- (c) Provides the required tax income for the government.

Q.4 In Chapter 1, we saw what may be development for one may be destructive for others. The setting of SEZs has been opposed by some people in India. Find out who are these people and why are they opposing it.

Ans.: The persons who are opposing the setting up of the SEZs are of two kinds

- (a) The rural people or the tribals who live where the SEZs are being established. They are worried that their livelihood would be affected as it is directly linked to the land, on which they have been living for various generation.

(b) The persons who are producing goods and services outside the SEZs similar to those proposed inside the SEZs. They are afraid of the undue competitive strength that those who are doing production inside SEZs would have against them, in the marketplace.

Let's Work these Out-Pg-68

Q.1 What are the ways in which Ravi's small production unit was affected by rising competition?

Ans.: Ravi's small production unit was affected by rising competition in the following ways

(a) His customer base have shrunk as they are using MNCs product, which doesn't use capacitors produced by Ravi's unit.

(b) Due to removal of import duties on capacitors, demand for capacitor from Ravi has taken a hit, which has in turn reduced his production and sales.

(c) Owing to decreased sale, Ravi is suffering loss which may eventually make him shut his manufacturing unit.

Q.2 Should producers such as Ravi stop production because their cost of production is higher compared to producers in other countries? What do you think?

Ans.: In a market which is flooded with products at a price lesser than Ravi's product, definitely Ravi would have difficult time selling its product. In such situation either Ravi must go for technological upgradation or switch to products where there is manageable level of competition. In both the above situation, he has to do capital investment

for which either he will go for personal saving or will require government support via subsidized loan raising.

Q.3 Recent studies point out that small producer in India need three things to compete better in the market

(a) better roads, power, water, raw materials, marketing and information network.

(b) improvements and modernization of technology.

(c) timely availability of credit at reasonable interest rates.

- Can you explain how these three things would help Indian producers?
- Do you think MNCs will be interested in investing in these? Why?
- Do you think the government has a role in making these facilities available? Why?
- Can you think of any other step that the government could take? Discuss.

Ans.: These three things will help the Indian producers to compete better in the market as follows

(a) Better infrastructure would lead to time bound execution of the plan and would lead to greater efficiency in the business operation.

(b) Better technology would lead to production of increased quality products that too at a reasonable rate.

(c) Better finance will enable them to adapt according to the requirement of the time – they can invest quickly when demand is increasing in market

MNCs will be interested in investing in these. There are a lot of MNCs not be interested in investing in these because then it would enable the

Indian players to compete with MNCs on equal term, which will then be in contrast to MNCs interest.

Government must ensure that basic infrastructural facilities should be provided, which then would catalyze entrepreneurial spirit. Also government should provide single window clearances for setting up a business in a transparent and time bound manner to curb red tapism.

Let's Work these Out-Pg-70

Q.1 In what ways has competition affected workers, Indian exporters and foreign MNCs in the garment industry?

Ans.: Owing to increased competition in the garment industry, there is greater informalisation of workforce happening. As the employee's profit margin is shrinking they prefer to temporally hire workers, leading to decrease in the share of formal employment. In such scenario, Indian exporters have to switch towards greater mechanization and avoid hiring workers on permanent basis. Moreover MNCs, owing to their massive market reach and financial resources, are outsourcing semi-finished products, and are thus able to thrive in such situation.

Q.2 What can be done by each of the following so that the workers can get a fair share of benefits brought by globalization?

- (a) Government
- (b) Employers at the exporting factories
- (c) MNCs
- (d) Workers

Ans.: (a) Government must adopt appropriate policy and ensure that the framed law gets implemented and justice must be ensured.

- (b) Employers must invest in new technology so as to increase efficiency of production and ensure compliance with government rules.
- (c) MNCs may provide essential training to workers who have lost their job, so as to improve their skill set and increase their employability.
- (d) Workers will have to inculcate learning attitude and must adapt themselves according to changing time.

Q.3 One of the present debates in India is whether companies should have flexible policies for employment. Based on what you have read in the chapter, summaries the point of view of the employers and workers.

Ans.:

Point of View of Employers: They prefer to have flexible hire and fire policy wherein they would employ labours according to the demand of the situation. This will ensure profit maximization for them, as they can then optimize their cost of production.

Point of View of Workers: Will always prefer permanent employment as it gives them a sense of security. Also formal employment gives them access to various social benefits like provident fund, gratuity etc.

Exercises

Q.1 What do you understand by globalization? Explain in your own words.

Ans.: Globalisation refers to the process of integration between countries such that there is a greater flow of goods, services, capital and labour among them. This process is making world into “one big village”.

This process has had following impact:

- Greater coordination and cooperation at international level.

- Emergence of institution like WTO (World trade organisation) for facilitating trade led relation among countries.
- Separation of the process of production, where in a company can have R&D, Manufacturing unit and distribution zone, being located all separately in different location.

Q.2 what were the reasons for putting barriers to foreign trade and foreign investment by the Indian government? Why did it wish to remove these barriers?

Ans.: Government of India initiated slew of measures to put barrier on foreign trade and investment owing to following reasons:

- To safeguard the domestic producers from foreign competition.
- Ideological leaning, which prompted the newly independent government to see foreign dependence as the harbinger of imperialism.

However in such scenario, government did allow the import of essential commodities required for undertaking Industrialisation and development of the country.

In the subsequent years, following situation compelled the government to open up the Indian economy-

- Lack of innovation and efficiency of domestic producer owing to lack of competition.
- Sub-standard GDP growth rate.
- Fragile Balance of payment condition in early 1990s, wherein India didn't have adequate foreign reserve to pay for the imports.

Q.3 How would flexibility in labour laws help companies?

Ans.: For running the business/company, the four essential factors to be present are enumerated as following: Land, labour, capital and entrepreneurship. In such backdrop, if there is a flexibility in labour laws, it would mean- less regulatory framework for recruiting or for removing the labour, no strict working condition parameters, and no underlying formal rules for working hours, and so on. Since the objective of the business is profit maximization, such flexibilities ensure cost saving and thus leads to greater profit and expansion of the company.

Q.4 What are the various ways in which MNCs set up or control production in other countries?

or

How are Multinational Corporations (MNCs) controlling and spreading their productions across the world? Explain.

Ans.: Multinational corporations (MNCs) usually set up their production units, where they found lucrative business conditions like- business friendly government policies, economical skilled labour, proximity to the market and so on.

In this regard, MNCs control production in following ways-

Various ways in which MNCs control production in other countries:

(i) Forging partnerships with local companies: By doing this MNCs, bring in required capital and expertise in the running of local company. In addition, in certain scenarios, latest technologies are also shared, which increases the overall productivity of the concerned business.

(ii) Competing with local companies or buying them up: Owing to their large capital base, MNCs often end up buying the local companies, or weed them out of business.

(iii) Outsourcing of required inputs: MNCs often uses the products of local company for making their product. E.g. in garments, footwear, sports items, etc. The products are supplied to MNCs which have great power to determine price, quality, delivery and labour conditions for these distant producers.

Q.5 Why do developed countries want developing countries to liberalize their trade and investment? What do you think should the developing countries demand in return?

Ans.: Developed countries want developing countries to liberalize their trade and investment for following reasons:

- To make use of the untapped resource potential of developing countries.
- To ensure the utilization of the capital in some productive use which they have acquired over the period of economic development.

However in return developing countries can negotiate for following:

- Transfer of latest technology
- Least or zero environmental externalities.
- Adequate protection to vulnerable industries
- Humane treatment and condition of labourers.

Q.6 “The impact of Globalization has not been uniform.” Explain this statement.

Ans.: Impact of Globalisation, has been labelled non- uniform as on one hand it has greatly increased pace of GDP, increased investment in

developing countries, increased volume of trade which in turn has provided employment to millions of people and led to expansion of Indian companies. Ex- Tata Motors (Automobiles), Infosys (IT), etc.

However on the other side, Globalisation has increased income inequality, has led to contractualization of labour, and shifting of hazardous industries to developing countries. All these aforementioned scenarios clearly states that the impact of Globalisation has been uneven.

Q.7 How has liberalization of trade and investment policies helped the globalization process?

Ans.: Easing of rules pertaining to trade and investment has led to increased flow of investment and trade.

- It has promoted further integration among countries.
- Increased globalization has led to greater movement of people across border.

Q.8 How does foreign trade lead to integration of markets across countries? Explain with an example other than those given here.

Ans.: Increased trading activities among countries has strengthened markets in the following ways-

- Foreign trade has led to increased competition among the producers, which has further increased efficiency of the market.
- For the consumers, it has led to increased choices, which has led to increased consumer satisfaction.
- It has led to availability of goods and services which were not earlier available in the local market.

This is how markets are integrated through foreign trade. For example, Chinese electronic items are imported to India, and have proved to be a tough competition for less-technologically-advanced companies over here.

Q.9 Globalisation will continue in the future. Can you imagine what the world would be like twenty years from now? Give reasons for your answer.

Ans.: Twenty years from now on, Globalisation process would be far more sophisticated and intense. It will probably ride on the back of fourth industrial revolution, and will make the world more integrated. Trade and capital would increase, and so does the mobility of labour. All these processes would bridge inequalities and would lead to greater cooperation and coordination among human societies, while respecting the individual self at the same time.

Q.10 Supposing you find two people arguing: One is saying globalization has hurt our country's development. The other is telling, globalization is helping India develop. How would you respond to these arguments?

Ans.: Both the arguments has their share of truth. As Globalisation can be summed has having both positive and negative attributes. And these attributes can be stated as follow:

Positive impact of the globalization on India-

(i) Greater variety of products, with improved quality and reasonable price.

- (ii) Availability of products at economical rate has led to higher standard of living.
- (iii) Increase in foreign direct investment
- (iv) Creation of employment in certain sectors.
- (v) Top Indian companies have been benefited by investing in new technology and production methods along with successful collaborations with foreign companies.
- (vi) Has led to some large Indian company to emerge as multinationals themselves. For example, TataMotors, Infosys, Ranbaxy etc.
- (vii) Created immense opportunities for companies in service sector, particularly in IT.

Negative impact of the globalization on India-

- (i) Producers who failed to compete, got perished. All this competition has led to increased unemployment. For instance, batteries capacitors which have been hit hard due to tough competition.
- (ii) Has led to greater casualization of work. Owing to increased pressure of competition most employers these days prefer to employ workers ‘flexibly’. This means that workers’ jobs are no longer secure.

Q.11 Fill in the blanks

Indians buyers have a greater choice of goods than they did two decades back. This is closely associated with the process of _____(a)_____. Markets in Indian are selling goods produced in many other countries. This means there is increasing _____(b)_____ with other countries. Moreover, the rising number of brands that we see in the markets might be produced by MNCs in India. MNCs are investing in India because _____(c)_____. While

consumers have more choices in the market, the effect of rising _____(d)_____ and _____(e)_____ has meant greater _____(f)_____ among the producers.

- Ans.: (a) globalization
(b) trade
(c) production costs here are cheaper
(d) demand
(e) purchasing power
(f) competition.

Q.12 Match the following:

List I

- (i) MNCs buy at cheap rates from small producers
(ii) Quotas and taxes on imports are used to regulate trade
Indian companies who have invested abroad
(iii) IT has helped in spreading of production of services
(iv) Several MNCs have invested in setting up factories in India for production

List II

- (a) Automobiles
(b) Garments, footwear, sports items
(c) Call centres
(d) Tata Motors, Infosys, Ranbaxy
(e) Trade barriers

Ans.:

(i)-(b)

(ii)-(e)

(iii)-(d)

(iv)-(c)

(v)-(a)

Q.13A Choose the most appropriate option.

The past two decades of globalization has seen rapid movements in

A. goods, services and people between countries.

B. goods, services and investments between countries.

C. goods, investments and people between countries.

Ans.: Because of improvement in transportation and communication technology, globalization has seen rapid movement in Goods, services and people between countries.

Q.13B Choose the most appropriate option.

The most common route for investments by MNCs in countries around the world is to

A. set up new factories.

B. buy existing local companies.

C. form partnerships with local companies.

Ans.: It is so, as the MNCs get ready made setup, and also the experience pool of the existing employees, which prompts them to make investment in existing local companies.

Q.13C Choose the most appropriate option.

Globalisation has led to improvement in living conditions

- A. of all the people
- B. of people in the developed countries.
- C. of workers in the developing countries
- D. None of the above

Ans.: As Large companies, especially MNCs have spread their production process, all throughout the world, people in developing countries are employment opportunities because of this.

Chapter 5

Consumer Right

Let's Work these Out-Pg-77

Q.1 What are the various ways by which people may be exploited in the market?

Ans.: There are many ways by which consumers are exploited. A few of them are:

- A.** Selling at higher prices -- The price charged for the product will not be proportionate to the quality;
- B.** Product risk -- Drugs that are hazardous, banned or beyond expiry date, electrical appliances with inadequate safety precautions, etc;
- C.** Adulteration -- This is very common in food items and could prove to be highly injurious to one's health;
- D.** Sub-standard Products -- Items whose quality is far below the required standard;
- E.** False Claims -- Manufacturers make false representations about their products in the media with a view to mislead the consumers. Claiming that use of a particular oil will cure baldness, using a company's fairness cream for a specific period will make one fair, etc., are all typical examples of exaggerated, misleading advertisements; and
- F.** Warranty/Annual Maintenance Contract -- In many cases, though the product will have a warranty or will be under annual maintenance contract (AMC), when a problem arises, the consumer is told that certain parts will not be covered and they will have to pay.

Q.2 Think of one example from your experience where you thought that there was some 'cheating' in the market. Discuss in the classroom.

Ans.: Experience of cheating which I went through in the market is when I went to purchase vegetables in the market, I found out that the weighing machine used by the local vendors was fraudulent, While purchasing 1 kg of tomatoes they actually gave me only 850gms of tomatoes which I came to know by weighing the tomatoes in electric weighing machine.

Q.3 What do you think should be the role of government to protect consumers?

Ans.: The government is responsible for creating market places that are fair, efficient and competitive for producers, traders and consumers. Ministry of consumer affairs is responsible to protect the consumers.

The Indian government paid vital role for consumer protection by enacting various rules and regulations such as:

- 1) Consumer protection act, 1986.
- 2) Certification marks such as ISI for industrial goods, AGMARK for agricultural products etc., provides quality assurance of goods and services.
- 3) Consumer courts
- 4) Prevention of Black Marketing and Maintenance of Essential Commodities Act,

Let's Work these Out-Pg-78

Q.1 what could have been the steps taken by consumer groups?

Ans.: Consumer groups should issue leaflets providing information so as to educate consumers on matters affecting them.

- Consumer groups should press for proper labeling of the products with maximum price to be charged, the contents of the product, especially drugs, side effects if any, of the product etc.
- Organizing movements against the malpractices of manufacturers and traders of the products.
- They should have also supervised whether the government rules and regulations are fully implemented or not and force business organizations to follow the rules.
- On behalf of the consumer they should file a PIL for redressal of consumer grievances.

Q.2 There may be rules and regulations but they are often not followed. Why? Discuss.

Ans.: There are rules and regulations to protect the consumer from exploitation, but they are not followed because:

- Illiteracy and ignorance of consumers
- Limited supply of goods
- Compromising attitude of consumers
- Lack of competition
- Cumbersome, expensive and time consuming process of consumer courts
- Lack of information
- Greed of sellers to earn more profits.

Let's Work these Out-Pg-79

Q.1 For the following (you can add to the list) products/services discuss what safety rules should be observed by the producer?

- (a) LPG cylinder
- (b) Cinema theatre
- (c) Circus
- (d) Medicines
- (e) Edible oil
- (f) Marriage pandal
- (g) A high-rise building.

Ans.:

Product/Service	Safety rules to be observed
LPG cylinder	<ol style="list-style-type: none">1. Check that the cylinder has been delivered with company seal and safety cap intact.2. Ensure that there is no leakage of gas from the cylinder.3. Look for due date of test which is marked on inner side of cylinder, if due date is over don't accept the cylinder.4. Keep the cylinder away from inflammable items.5. Disconnect LPG regulator when not in use and keep the cylinder in upright position.
Cinema theatre	<p>Fire extinguishers should be installed in important areas of the premises.</p> <ul style="list-style-type: none">• Clearly marked and well illuminated exits should be there in all areas for emergencies like fire. <p>A short documentary should be screened during every show by showing the exits, emergency escape routes and instructions as to what to do and what not</p>

	<p>to do in the case of fire or other hazards (As per directions of Hon'ble Supreme Court in the Uphaar Tragedy case).</p> <ul style="list-style-type: none"> • The emergency department telephone nos. of nearest Hospitals, Police Station and Fire Department should be displayed in every show.
Circus	<ul style="list-style-type: none"> • Sufficient exits, well marked and properly lighted; • Lighted and unobstructed passageways to areas leading away from the structure; Inspection before the opening by the city electrical inspector to ascertain if any defects exist in the wiring and provision made for immediate correction of any defects which may be found; • Sufficient first-aid fire appliances to be distributed throughout the structure with operating personnel familiar with the operation of such equipment available and assigned during the use of such structure as a place of assembly; • Sufficient "No Smoking" signs visible at all times; • The cage for dangerous animals like lions should be secure. • Safety net should be there for trapeze artists.
Medicines	<ol style="list-style-type: none"> 1. Date of manufacture, date of expiry, batch number and composition must be printed on the packaging. 2. Close your medicine caps tightly after every use. Choose child-resistant caps for medicine bottles, if you're able to.

Edible oil	<p>1. Since the product is perishable check the manufacturing and expiry date.</p> <p>2. Quality assurance can be checked through agmark for the product.</p> <p>3. Store oil in a cool or dry location.</p>
Marriage pandal	<p>1. Adequate number of fire extinguishers should be installed in the premises.</p> <p>2. Multiple entry and exit gates to avoid rush during an untoward incident.</p> <p>Check the electrical wiring to prevent fire and short circuit.</p>
A high-rise building	<p>1. Escalators should be of assured quality and provided with information of what to do during emergency.</p> <p>2 Staircases must have handrails and emergency exit staircases should be at a different location from the daily use staircase.</p>

Q.2 Find out any case of accident or negligence from people around you, where you think that the responsibility lay with the producer. Discuss.

Ans.: In my locality there was a building being developed, but the contractor used poor raw materials for the construction of the building and when the tenants went to stay there within few days the building got demolished automatically. A case was filed in the court and the contractor was sued for using for not following the quality standards during construction.

Let's Work these Out-Pg-81

Q.1 When we buy commodities we find that the price charged is sometimes higher or lower than the Maximum Retail Price printed on the pack. Discuss the possible reasons. Should consumer groups do something about this?

Ans.: There is a difference between the maximum retail price and actual price of the goods. The maximum retail price is inclusive of all taxes and a retailer can sell at a price below the MRP. In fact consumers should always look for retailers who sell below the MRP because the MRP is the maximum retail price allowed for that commodity and not the actual price and a retailer can well reduce his margin built into the MRP.

The possible reason for higher price may be overcharging by the retailer for an ignorant customer. Sometimes it also happens that the manufacturer increases the price of a products and sells old stocks/products on new price rates and if buyers ask the reason they simply answer that the Price has increased because of the changes in duties or increase in the cost of production and the new packages carry the revised MRP. Obviously, this new price does not apply to the stock already with the retailer. And this is where retailers try to make a quick buck by trying to sell the old stock at the new revised rate, even though doing so is an unfair trade practice.

Q.2 Pick up a few packaged goods that you want to buy and examine the information given. In what ways are they useful? Is there some information that you think should be given on those packaged goods but is not? Discuss.

Ans.: The information given on the package can be useful as follows

- Maximum Retail Price (MRP): consumer needs to pay only the price mentioned and not more than that.

- Date of production and best before: it reveals to the consumer whether the product is consumable or not due to its perishability nature.
- Ingredients used: It gives consumer information about the various items used in making the product. Examples are sugar for diabetics and salt for high blood pressure patients. Similarly if the product contains some ingredient which is allergic to the consumer he will not consume that.
- Energy information: it gives information about proteins, fats, carbohydrates, vitamins. It would make the consumer aware of the calories he consumes.
- On products such as medicines and electrical items safe and instructions to use should be mentioned .and method of storage for food items and drugs should be explicitly mentioned in the packaging label.

Q.3 People make complaints about the lack of civic amenities such as bad roads or poor water and health facilities but no one listens. Now the RTI Act gives you the power to question. Do you agree? Discuss.

Ans.: Yes, RTI gives us the power to question the government and help us find out who is responsible for the corruption or incompleteness of work and make him liable for his poor or bad performance. After the implementation of RTI there has been transparency and accountability in the government working and the consumer grievances are redressed as early as possible.

Let's Work these Out-Pg-82

Q.1 Following are some of the catchy advertisements of products that we purchase from the market. Which of the following offers would really benefit consumers? Discuss.

- (a) 15 gm more in every 500 gm pack.
- (b) Subscribe for a newspaper with a gift at the end of year.
- (c) Scratch and win gifts worth Rs 10 lakh.
- (d) A milk chocolate inside a 500 gram glucose box.
- (e) Win a gold coin inside a pack.
- (f) Buy shoes worth Rs 2000 and get one pair of shoes worth Rs 500 free.

Ans.: (a) 15 gm more in every 500 gm pack – yes, the consumer gets additional quantity without having to pay extra for the additional quantity given free during the time of purchase.

(b) Subscribe for a newspaper with a gift at the end of a year – NO, Because there is no guarantee that at the end of the year gift will be provided further due to some problem you may not be able purchase newspaper for the entire year, you may stop in between and due to which you may lose your gift.

(c) Scratch and win gifts worth Rs 10 lakh – NO, because you get a scratch card only after you purchase some product and there is no guarantee that you will surely win a gift as it is purely on luck basis..

(d) A milk chocolate inside a 500 gram glucose box – YES, the consumer is getting something extra for which he is not paying and the offer is written there is a surety that the chocolate would be inside otherwise you can claim it.

(e) Win a gold coin inside a pack – NO, since winning a gold coin is purely on luck basis and of least probability and consumer has to spend first and then try out his luck.

(f) Buy shoes worth Rs 2000 and get one pair of shoes worth Rs 500 free : NO, most of the times the value of free good is included in the price of

the original good and further the free good may not be of assured quality and of the taste which the consumer wants.

Let's Work these Out-Pg-84

Q.1 Arrange the following in the correct order.

- (a) Arita files a case in the District Consumer Court.
- (b) She engages a professional person.
- (c) She realizes that the dealer has given her defective material.
- (d) She starts attending the court proceedings.
- (e) She goes and complains to the dealer and the Branch office, to no effect.
- (f) She is asked to produce the bill and warranty before the court.
- (g) She purchases a wall clock from a retail outlet.
- (h) Within a few months, the dealer was ordered by the court to replace her old wall clock with a brand new one at no extra cost.

Ans.:

- (g), (c), (e), (b), (a), (f), (d), (h)

Let's Work these Out-Pg-86

Q.3 what is the difference between consumer protection council and consumer court?

Ans.: consumer protection council is a non-government organisation, spreading awareness among common people and help them to file cases in the court and get justice for the consumers. They represent individuals in the consumer courts.

Consumer courts are government organizations that provide redressal for consumer grievances by passing orders which are enforceable by law. Consumer court is established at district, state and national level.

Q.4 The Consumer Protection Act, 1986 ensures the following as rights which every consumer in India should possess.

- (i) Right to choice
- (ii) Right to information
- (iii) Right to redressal
- (iv) Right to representation
- (v) Right to safety
- (vi) Right to consumer education

Categorise the following cases under different heads and mark against each in brackets.

- (a) Lata got an electric shock from a newly purchased iron. She complained to the shopkeeper immediately. ()
- (b) John is dissatisfied with the services provided by MTNL/BSNL/TATA INDICOM for the past few months. He files a case in the District Level Consumer Forum. ()
- (c) Your friend has been sold a medicine that has crossed the expiry date and you are advising her to lodge a complaint ()
- (d) Iqbal makes it a point to scan through all the particulars given on the pack of any item that he buys. ()

(e) You are not satisfied with the services of the cable operator catering to your locality but you are unable to switch over to anybody else. ()

(f) You realise that you have received a defective camera from a dealer. You are complaining to the head officer persistently. ()

Ans.: Right to Safety:

According to this right the consumers have the right to be protected against the marketing of goods and services which are hazardous to life and property, this right is important for safe and secure life. This right includes concern for consumer's long term interest as well as for their present requirement.

Right to Information:

According to this right the consumer has the right to get information about the quality, quantity, purity, standard and price of goods or service so as to protect himself against the abusive and unfair practices. The producer must supply all the relevant information at a suitable place.

3. Right to Choice:

According to this right every consumer has the right to choose the goods or services of his or her likings. The right to choose means an assurance of availability, ability and access to a variety of products and services at competitive price and competitive price means just or fair price.

Right to be Heard or Right to Representation:

According to this right the consumer has the right to represent him or to be heard or right to advocate his interest. In case a consumer has been exploited or has any complaint against the product or service then he has the right to be heard and be assured that his/her interest would receive due consideration.

This right includes the right to representation in the government and in other policy making bodies. Under this right the companies must have complaint cells to attend the complaints of customers.

5. Right to Seek Redressal:

According to this right the consumer has the right to get compensation or seek redressal against unfair trade practices or any other exploitation. This right assures justice to consumer against exploitation.

Right to Consumer Education:

According to this right it is the right of consumer to acquire the knowledge and skills to be informed to customers. It is easier for literate consumers to know their rights and take actions but this right assures that illiterate consumer can seek information about the existing acts and agencies are set up for their protection.

- (a) Lata got an electric shock from a newly purchased iron. She complained to the shopkeeper immediately. (Right to redressal)

- (b) John is dissatisfied with the services provided by MTNL/BSNL/TATA INDICOM for the past few months. He files a case in the District Level Consumer Forum. (Right to representation)
- (c) Your friend has been sold a medicine that has crossed the expiry date and you are advising her to lodge a complaint (Right to safety)
- (d) Iqbal makes it a point to scan through all the particulars given on the pack of any item that he buys. (Right to consumer education)
- (e) You are not satisfied with the services of the cable operator catering to your locality but you are unable to switch over to anybody else. (Right to choice)
- (f) You realise that you have received a defective camera from a dealer. You are complaining to the head officer persistently. (Right to information)

Q.5 If the standardization ensures the quality of a commodity, why are many goods available in the market without ISI or Agmark certification?

Ans.: ISI mark is a certification mark for industrial products in India. The mark certifies that a product conforms to the Indian Standard, mentioned, developed by the Bureau of Indian Standards (BIS), the national standards body of India. Standardization no doubt ensures the quality of a product but it is time consuming and expensive to avail it and Millions of micro, small and medium enterprises cannot afford it. Further it is not compulsory in the case of most products in the market, it is compulsory for electrical appliance, gold etc.

Q.6 Find out the details of who provides Hallmark and ISO certification.

Ans.: Hallmark certifies gold products and is provided by Gold Council of India. BIS hallmark is a "Hallmark" system for "Gold" as well as

"Silver". "Jewellery" sold in India has "BIS hallmark" which certifies that the piece of jewellery conforms to a set of standards laid by the Bureau of Indian Standards". "Bureau of Indian Standards is the national standards organization of India working under the aegis of Ministry of Consumer Affairs, Food & Public Distribution. It is established by the Bureau of Indian Standards Act, 1986 which came into effect on 23 December 1986

ISO certification is given by the International Standardization Organization headquartered in Geneva. India is a member of ISO organization and India follows ISO 9001, 14001 etc.

Exercises

Q.1 Why are rules and regulations required in the marketplace? Illustrate with a few examples.

Ans.: Rules and regulations are required in the market place to protect the consumers from unfair trade practices and exploitation by the sellers. Sellers often sell adulterated, defective, expired goods and every time it's the consumer who has to suffer due to sellers malpractices. Examples:

- Sellers sell expired medicines which is injurious to the consumer's health.
- Adulteration of milk by adding water, black pepper by adding papaya seeds etc.,

Hence rules and regulations are required to protect the consumers from such malpractices.

Q.2 What factors gave birth to the consumer movement in India? Trace its evolution.

Ans.: In India, the consumer movement originated as a social force with the necessity of protecting and promoting the interests of consumers against unethical and unfair trade practices.

Factors:

- Malpractices in business ,
- Rampant food shortages,
- hoarding,
- black marketing,
- Adulteration gave birth to the consumer movement in an organized form in 1960s.

Evolution:

Steps taken by pressure groups and civil society for creating consumer awareness resulted in formation of consumer protection act (COPRA) by the government on 24th December, 1986. Which is celebrated as National consumers' day.

Q.3 Explain the need for consumer consciousness by giving two examples.

Ans.: consumers being the victims of unfair trade practices of the seller need to be conscious during purchase of goods and services.

Examples:

- Sellers sometimes sell expired products like medicines, perishables, etc., which is injurious to health consumer needs to be conscious while purchasing such goods.

- Sellers sometime sell goods at a price greater than its MRP or sell defective goods like electronic items etc., hence consumers need to be conscious so that they don't get cheated by the seller.

Q.4 Mention a few factors which cause exploitation of consumers.

Ans.: Factors causing exploitation of consumers are:

(a) Limited Information:

Due to absence of correct and timely information regarding quality, price, instructions, warnings etc. Consumers are not aware of how to use the product and they end up paying more for product than the MRP.

(b) Limited Supplies:

The consumers are exploited when the goods and services are not available in the market to the required amount or quantity. This makes or gives chance for black marketing & hoarding, of the goods etc.

(c) Limited Competition:

At times only one producer or a group of producers produce some products. They manipulate the prices of their products by making these non-available for certain period. So the prices rise high and the benefit goes to that particular group causing loss to the customers.

(d) Literacy:

Illiterate people are very easily exploited by the sellers. Due to low literacy the level of consumer consciousness in our country is very low. It benefits the producers and sellers in keeping the rates of their products high and earns more profit. Thus the consumers are easily exploited.

Q.5 What is the rationale behind the enactment of consumer protection Act 1986?

Ans.: The Consumer Protection Act 1986 was enacted to provide for better protection of the interests of consumers and for that purpose to make provision for the establishment of Consumers Councils and other authorities for the settlement of consumers' disputes and for matters connected therewith. It provides consumers right to information, right to choose, right to grievances redressal etc.

Q.6 Describe some of your duties as consumers if you visit a shopping complex in your locality.

Ans.: Every consumer has certain rights and duties:

While going to a shopping mall he should exercise the following duties:

- He should be able to differentiate between branded and duplicate items.
- He should buy goods after checking the expiry date.
- He should check for ISI, AGMARK certification, and buy products which are under guarantee and warranty.
- He must ask for the invoice in the billing counter and help the government by paying taxes.
- He should create consumer awareness organizations and educate the locality people about their rights and duties.

Q.7 Suppose you buy a bottle of honey and a biscuit packet. Which logo or mark you will have to look for and why?

Ans.: While buying a bottle of honey or a biscuit packet, one would have to look for ISI LOGO OR AGMARK.

The logo or mark is issued by the government regulatory body to those sellers who follow the rules and regulations and quality standards for selling the product. The logo or mark is an assurance of quality of the product, the mark carries different number for different products and ensures guarantee of quality products. Hence one should look for logo while buying the products

Q.8 What legal measures were taken by the government to empower the consumers in India?

Ans.: Legal measures taken by the government to empower consumers in India are:

- **MRTP ACT:** (monopolies and restrictive trade practices act) 1984, to check unfair trade practices.
- **COPRA ACT** (consumer protection act) 1986, to protect consumers from exploitation in market place.
- **Consumer courts:** district, state and national levels for redressal of consumer grievances.
- **RTI ACT (Right to information) 2005,** Ensuring transparency in functioning of government departments.
- **Central protection authority** to recall products and initiate class suit against defaulting companies.
- **Consumer helpline.**

Q.9 Mention some of the rights of consumers and write a few sentences on each.

Ans.: 1. Right to safety:

Consumers have the right to be protected against the marketing of goods which are hazardous to life and health. Food additives and colors', dangerous toys, flammable fabrics, unsafe appliances are examples of such goods. Consumers are entitled to healthy and safe products.

2. Right to information:

It means the right to be informed about the quality, quantity, potency, purity, standard and the price of goods so as to protect the consumers against unfair trade practices.

3. Right to choose:

Consumers must have access to a variety of goods at competitive prices. Free competition and wide variety enable consumers to choose the best goods.

4. Right to be heard:

Consumers need to be assured that their interests will receive due consideration at appropriate forums.

5. Right to education:

Consumers have the right to be made aware of their rights and remedies available to them for redressal of their grievances.

6. Right to redressal:

Standing machinery must be provided for quick and satisfactory redressal of consumer grievances against unfair trade practices and exploitation by unscrupulous elements.

7. Right to healthy environment:

Consumers have the right to live in a pollution free environment. This is necessary to enhance the quality of human life.

Q.10 By what means can the consumers express their solidarity?

Ans.: Consumers can express their solidarity against unfair trade practices by forming:

- Consumer protection council
- Voluntary consumer association
- Resident welfare association
- Consumer clubs

Forming groups or associations helps consumers to put forward their views to the government and in turn government comes out with legal and financial aid such as consumer courts and fight cases against unscrupulous traders.

Q.11 Critically examine the progress of consumer movement in India.

Ans.: After the enactment of consumer protection act in 1986, various voluntary organizations were formed which helped in creating awareness about consumer rights and duties in the market place. Jago Grahak Jago initiative of the government made the consumers more conscious while buying goods and services. Establishment of consumer courts helped the consumers to sue the unscrupulous traders.

However there are only few recognised consumer associations and due to cumbersome, expensive and time consuming process of consumer courts many consumers are not willing to go through legal process for justice. There is an issue in implementation of various acts related to consumer protection.

Still India needs to go a long way in the process of consumer protection and making consumer the real king of the market.

Q.12 Match the following:

List I

- (i) Availing details of ingredients of a product
- (ii) Agmark
- (iii) Accident due to faulty engine in a scooter
- (iv) District Consumer Court
- (v) Consumers International
- (vi) Bureau of Indian Standards

List II

- (a) Right to safety
- (b) Dealing with edible oil and cereals
- (c) Certification of edible oil and cereals
- (d) Agency that develops standards for goods and services
- (e) Right to information
- (f) Global level institution of consumer welfare organization

Ans.: (i)-(e); (ii)-(c); (iii)-(a); (iv)-(b); (v)-(f); (vi)-(d)

Q.13 Say True or False.

- (i) COPRA applies only to goods
- (ii) India is one of the many countries in the world which has exclusive courts for consumer redressal.
- (iii) When a consumer feels that he has been exploited, he must file a case in the District Consumer Court.

- (iv) It is worthwhile to move to consumer courts only if the damages incurred are of high value.
- (v) Hallmark is the certification maintained for standardization of jewellery.
- (vi) The consumer redressal process is very simple and quick.
- (vii) A consumer has the right to get compensation depending on the degree of the damage.

Ans.: (i) FALSE: It applies to both goods and services.
(ii) TRUE: Like USA, BRITAIN INDIA is one of the country having consumer redressal forum at district, state and national level.
(iii) TRUE: To protect the consumers from exploitation government established consumer courts at all the three levels .district consumer court entertains complaints where value of goods and services and compensation does not exceed 20 lakhs.
(iv) True: one can appeal in district consumer court when value of goods or services does not exceeds 20 crores.

One can appeal in state level when compensation exceeds rupees 20 lakhs but not 1 crore.

One can appeal in central council when compensation exceeds 1 crore.

(v) True: Logo or marks are given by government regulatory authorities and these marks indicate quality assurance of goods and services.
(vi) False: consumer redressal process is time consuming, expensive and cumbersome as the onus is on the buyer to provide evidence against fraudulent trade practices of seller.
(vii) True : Based on the degree of damage he can appeal for compensation at various level of consumer forum district, state, national.

Chapter 1

The Rise of Nationalism in Europe

Write in Brief

Q.1A Write a note:

Giuseppe Mazzini

Ans.: Giuseppe Mazzini



Giuseppe Mazzini

Giuseppe Mazzini was an Italian revolutionary, born in Geneva on June 22nd, 1807 in a middle class family. He was a patriot, political activist, writer, founder of young Italy and played very important role in liberal nationalism who strived to found a unified democratic republic of Italy.

1. He was one of the three revolutionaries who made a significant contribution to Italian unification.
2. His efforts led to the unification of Italy.
3. He believed in a single unified republic instead of being a patchwork of small state kingdoms.
4. In 1831, at the age of 24, he was sent into exile for attempting a revolution in Liguria.
5. He founded underground societies like Young Italy in Marseilles, and Young Europe in Berne.

6. He was elected as a member of the Constituent Assembly and acquired the responsibilities of framing a constitution for the Roman public.

Q.1B Write a note:

Count Camillo de Cavour

Ans.:

Count Camillo de Cavour



Count Camillo de Cavour

Count Camillo de Cavour, a political leader and an Italian statesman, premier of the Kingdom of Sardinia. He was born at Turin on the August 1, 1810. He was the active force behind King Victor Emmanuel II, he was responsible more than any other man for the unification of Italy under the house of Savoy. Of a noble Piedmontese family, he entered the army at the age of 10 but came under suspicion for his liberal ideas and was forced to resign in 1831. He then devoted himself to travel, agricultural experimentation, and the study of politics. He was a significant figure in the movement towards Italian unification and the founder of the original Italian liberal party. Cavour was a liberal and had faith in free trade, public right of opinion and secular rule. So on becoming the Prime Minister of Piedmont –Sardinia on November 4, 1852 Cavour strengthened the kingdom, reform taxation, stabilized the currency, and improved the railway system. In 1853, He supported the French and British in the Crimean War with troops, in anticipation to enhance the prestige of Piedmont-Sardinia. He engineered a tactful diplomatic alliance with France which helped Sardinia defeat Austrian force in

1859. Count Camillo de Cavour made considerable efforts of the creation of modern Italian state. But unfortunately he died only three months after the declaration of a united Italy on June 6, 1861.

Q.1C Write a note:

The Greek War of independence

Ans.: The Greek War of independence

It's an event that mobilized nationalist feelings among the educated elite across Europe. Greece had been part of the Ottoman Empire since the fifteenth century. This was a successful war of independence waged by Greek revolutionaries between 1821 and 1829 against the Ottoman Empire. The growth of revolutionary nationalism in Europe sparked off a struggle for independence amongst the Greeks. Nationalists in Greece got support from other Greeks living in exile and also from many West Europeans who had sympathies for ancient Greek culture. Poets and artists lauded Greece as the cradle of European civilization and mobilized public opinion to support its struggle against a Muslim empire. The English poet Lord Byron organized funds and later went to fight in the war, where he died of fever in 1824. Finally, the Treaty of Constantinople of 1832 recognized Greece as an independent nation.

Q.1D Write a note:

Frankfurt Parliament

Ans.: Frankfurt Parliament

In 1848, Germany was a divided country with different provinces like Australia and Prussia. In February 1848, when a rebellion took place in Paris King Louis Philippe was forced to ran away and joined other monarchs to oppose the elected assembly. The German middle class

decided to vote for an all - German National Assembly and hence came to Frankfurt. It was attended by 831 people. The parliament was convened on 18th May 1848 in St. Paul church. Friedrich Wilhelm IV was elected as the president but it turned out to be futile due to lack of experience of the deputies. The assembly decided that the German nation would be a monarchy controlled by Parliament. Instead of setting up a central power in German people. However, the assembly continued its work and completed a Constitution. The parliament faced strong opposition from aristocracy and military. In the end monarchy and military combined together with the aristocracy, they won over the liberal nationalist middle class and the assembly was forced to disband. Frankfurt Parliament is famous as a failure of liberalism and victory of the monarchy.

Q.1E Write a note:

The role of women in nationalist struggles.

Ans.: The role of women in nationalist struggles.

Women played a very important role in nationalist struggles all over the world. They participated equally mostly in every movements. They faced torture of police but still they stood by their male counterparts. A large number of women participated actively in the political matters over the year. Sometimes they led the movements also, formed many political associations, founded newspapers and took part in political meetings and demonstrations. The most famous example is the French revolution where women participated equally as men. Liberty is personified as a women and also liberal nationalism proposed the idea of universal suffrage, leading to women's active participation in nationalist movements in Europe. So, on 18 May 1848, when the Constitution was drafted in the Frankfurt Parliament the controversial issue of the extending political rights to women was raised. Still women were deprived of suffrage during

the election of the assembly and they were admitted in the Frankfurt Parliament Assembly only as spectators. But this did not diminish their contribution to the national struggle. Delphine De Girardin, an educated woman, criticized by saying that if servants doing the household work were granted the right to vote then why not women who are mothers, housewives managing everything at home. Women were given little or no political rights, right to vote etc. till the end of 19th century.

Q.2 What steps did the French revolutionary take to create a sense of collective identity among the French people?

Or

When did the first clear cut expression of the nationalism come in France? How did the French Revolution lead to the transfer of sovereignty from the monarchy to a body of French citizens? Explain any four measures taken by the French revolutionaries.

Or

Analyze the measures and practices introduced by the French revolutionaries to create a sense of collective identity amongst the French people.

Ans.: The first clear cut expression of the nationalism came in the French with the French revolution 1789. To make the revolution a success it was very important to install a sense of utility in every citizen.

To achieve it, various measures and practices were followed –

(i) The idea of la patrie (the fatherland) and le citoyen (the citizen) emphasized the nation of the united community enjoying the equal rights under a Constitution. A new French Flag, the tricolour, was chosen to replace the former royal standard.

- (ii) The Estates General was elected by the body of active citizens and new hymns were composed, oaths taken and martyrs commemorated, all in the name of the nation.
- (iii) They established a centralized administrative system, which formulated uniform laws for all citizens. Internal custom duties and dues were abolished and a uniform system of weights and measures was adopted.
- (iv) French language was promoted above all the regional languages.

Q.3 Who were Marianne and Germania? What was the importance of the way in which they are portrayed?

Or

How had the female figures become an allegory of the nation during nineteenth century in Europe? Analyse.

Ans.: In old times the best way to invite people's attention was to present an idea through symbolic personifications. From 1789 females appeared in paintings as symbol of liberty and revolution. Marianne is a national symbol of the French Republic, a personification of liberty and reason, and a portrayal of the Goddess of Liberty. She was the female figure invented by artist in the nineteenth century to present the French nation. Her profile stands out on the official government logo of the country, is engraved on French euro coins and appears on French postage stamps; it also was featured on the former French currency. Her characteristics were drawn from those of Liberty and the republic – the red cap, the tricolor, the cockade. Statues of Marianne were erected in public places to remind the public of the national symbol of unity and to persuade them to identify with it. Marianne images were marked on coins and stamps.

Similarly, Germania becomes the symbol of the German nation. This work was done by the artist Philip Veit. He depicted Germania as a female

figure standing against a background where beams of sunlight shone through the tricolor fabric of the national flag. Germania was a crown of oak leaves, as the German oak stands for heroism. It was hung from the ceiling of St Paul's Church, where the Frankfurt parliament was convened, to symbolize the liberal revolution.

Q.4 Briefly trace the process of German Unification.

Or

Examine the main features of the process of German unification under the leadership of Otto Von Bismark.

Ans.: The Frankfurt parliament was the first step of German unification but this initiative of nation building was repressed by the monarchy and big landlords of Prussia. German unification was a long and complicated process. In the beginning of the 19th century, German was not a unified country. It was a collection of 39 autocratic states, ruled by only wealthy and powerful once. It was a difficult affair to unite Germany. The credit of unifying Germany goes to Bismark as He fought three wars to unified Germany.

(i) Danish- Prussian War in 1864: In beginning many European royals were independently having undersized territories dived by different laws, custom, and languages. When the Danish King Friedrich VII died in 1864. The Danish War helped Bismark strengthen his internal position in Prussia. Without much effort, Prussia defeated Danish.

(ii) Austro- Prussian War in 1866: In 1864 Bismark constructed an alliance with Austria to fight with Denmark. After the defeat Prussia received Schleswig and Austria administered the Holstein. But this situation could not stand for long and relations between Australia and Prussia worsened over the control of Schleswig-Holstein. As the real

concern was to emerge as the dominant force in German, Bismark provoked war with the Austrians to gain supremacy in Germany. He tactfully secured Italian support and French neutrality. Prussian troops occupied Holstein the Seven Weeks War (1866), Austria was totally crushed by Prussian forces at the battle of Sadowa, and was completely removed from any involvement in German affairs. An extraordinary lenient treaty, the Treaty of Prague was signed to expel Austria from the German Confederation so that Austria did not remain an enemy of Prussia. Prussia was now able to dominate the other German states without fear of Austria intervention.

(iii) Franco-Prussian War in 1870-71: With Austria out of the Bismark's way and to complete German unification process Bismark now had only one hurdle, and that was France. The southern provinces doubted Prussia's commitment to unite the Germany of all provinces. Prussia's Protestantism and historic militarism made the gulf between north and south quite serious. Therefore Bismark turned raelpolitik to unite the Germanic provinces by constructing a war against the common enemy. In 1870, Bismark forged a note from French ambassador implying that the ambassador had insulted the Prussian king. He also suggested a German candidate's name for the vacant Spanish throne. the hidden aim behind this move was to provoke the people of France & Prussia and make the French emperor Napolean III angry and declare war on Prussia and the North German Confederation. Prussia was completely victorious over France at the battle of Sedan in 1870 and gained control over Alsace-Lorraine.

For unification Bismark followed 'Blood and Iron' policy. Thus, the long planned journey of German unification was completed in 1871.

Q.5 What changes did Napolean introduce to make the administrative system more efficient in the territories ruled by him?

Ans.: Though Napolean Bonaparte was a dictator and was against democracy but he took certain measures to smoothly and proficiently run the administrative system. He

- (i) Simple Administration: Napolean initiated reform drive in the French legal system because the old feudal and royal laws were very confusing and conflicting to the people. He simplified the administrative divisions of France.
- (ii) The Napolean Code of 1804: the main concern of the code was related to property, colonial affairs, the family, and individual rights. It was a major step in establishing the rule of law. This Code was exported to the regions under French control.
- (iii) Abolishment of privileges: The privileges on the bases of birth, and feudalism systems were abolished, and freed the peasantry from serfdom and manorial dues. The quality before the law was established and the right to the property was secured.
- (iv) Infrastructural improvement: Transportation facilities and communication systems were improved.
- (v) Uniform laws: uniform laws were adopted for all whether it's a businessman or a small – scale producer of goods – all began to realize that uniform laws, standardized weights and measures, and a common national currency would facilitate the movement and exchange of, goods and capital from one region to another.

Discuss

Q.1 Explain what is meant by the 1848 revolutions of liberals. What were the political, social and economic ideas supported by the liberals?

Ans.: The word ‘Liberal’ is derived from the Latin ‘liber’ that means ‘free’. So 1848 revolution meant the revolution led by the educated middle classes alongside the revolts of the poor, unemployed peasant and workers

of Europe. Liberalism emphasizes on absolute and unrestrained freedom of thoughts, religion, conscience, creed, speech, press, and politics. Liberals believed that government is necessary to protect individuals from being harmed by others, not to pose a threat to liberty.

In the nineteenth century, a series of republican revolts started against European monarchies. In countries like France, unemployment and shortage of food, triggered the movements on a large scale. In other parts of Europe, men and women of the liberal middle class, came together to raise their voice for the creation of nation-states based on parliamentary principles and frankfurt parliament is the example of revolution of liberals.

In the economic field

(i) Interference of state in the economic life: Liberal in the 19th century urged to end the interference of the state in the economic life of society.

(ii) Freedom of markets: They fought for the freedom of markets and abolition of state-imposed restrictions on the movement of goods and capital.

(iii) Unification: In 1834, a Custom union or Zollverein was formed at the initiative of Prussia and joined by most of the German states.

(iv) The union abolished tariff barriers and reduced the number of currencies from thirty to two.

(v) Infrastructural Improvement: The construction of a network of railways stirred economic growth and economic nationalism which eventually strengthened nationalism.

In the political field

- (i) The main aim was to establish freedom for the individual and equality of all before the law and government should be formed with the consent of people.
- (ii) it was against the class-based partiality and birthrights.
- (iii) It opposed autocracy and clerical privileges and favoured a Constitution with national unification and representative government through Parliament.
- (iv) The Napolean Code was related to property, colonial affairs, individual rights and reduced women's role.
- (v) Women were considered as the subject to the authority of fathers and husbands. This led to the rise of movement by women and non-propertied men demanding equal political rights.

Q.2 Choose three examples to show the contribution of culture to the growth of the nationalism in Europe.

Or

How did Romanticism seek to develop a particular form of nationalism sentiments during 18th century? Explain.

Or

How did culture play an important role in creating the idea of the 'nation' in Europe?

Or

"Culture played an important role in creating the idea of the nation in Europe during 18th and 19th centuries." Support the statement with the example.

Ans.: Three examples to show the contribution of culture to the growth of nationalism in Europe were:

(i) Romanticism was a European cultural movement aimed at developing national unity by creating a sense of shared heritage and common history. The Romantic artists' emphasis on emotions, intuition and mystical feelings gave shape and expression to nationalist sentiments. The strength of art in promoting nationalism is well exemplified in the role played by European poets and artists in mobilizing public opinion to support the Greeks in their struggle to establish their national identity.

(ii) Folk songs, dances and poetry contributed to popularizing the spirit of nationalism and patriotic favor in Europe. Being a part of the lives of the common people, folk culture enabled nationalists to carry the message of nationalism to a large and diverse audience.

Collecting and recording the different forms of folk culture was important for building a national consciousness.(iii) Language also played a distinctive role in developing nationalist feelings in Europe. The emphasis on the use of vernacular language, the language of the masses, helped spread the message of national unity. During Russian occupation period, Polish language was forced out of schools and Russian language was imposed everywhere. Following the defeat of an armed rebellion against Russian rule in 1831, many members of the clergy in Poland began using language as a weapon of national resistance. They did so by refusing to preach in Russian, and by using Polish for Church gatherings and religious instruction.

Q.3 Through a focus on any three countries, explain how nations developed over the nineteenth century.

Ans.: (1) Germany:

The Frankfurt parliament was the first step of German unification but this initiative of nation building was repressed by the monarchy and big landlords of Prussia. German unification was a long and complicated process. In the beginning of the 19th century, German was not a unified country. It was a collection of 39 autocratic states, ruled by only wealthy and powerful ones. It was a difficult affair to unite Germany. The credit of unifying Germany goes to Bismarck as He fought three wars to unify Germany.

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(2) Greek

The Greek War of independence

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(3) Italy:

For unification of Italy Giuseppe Mazzini and Count Camillo de Cavour played very important role. They both helped in the development of the nation.

Giuseppe Mazzini was an Italian revolutionary, born in Geneva on June 22nd, 1807 in a middle class family. He was a patriot, political activist, writer, founder of young Italy and played very important role in liberal nationalism who strived to found a unified democratic republic of Italy. He was one of the three revolutionaries who made a significant contribution in Italian unification. His efforts led to the unification of Italy. He believed in single unified republic instead of being a patchwork of small state kingdoms so in 1830, he joined the revolutionary Carbonari (a Young Italy), whose basic principle was the union of the several states and kingdoms into one republic. In 1831, at the age of 24 he was sent into exile for attempting a revolution in Liguria. He founded underground societies like Young Italy in Marseilles, and Young Europe in Berne. To evoke people's reaction Mazzini wrote several essays that voiced the injustice to the working class such as the peasants, professionals, artist, and intellectuals. He was elected as a member of Constituent Assembly and acquired the responsibilities of framing a constitution for the roman public.

Count Camillo de Cavour, a political leader and an Italian statesman, premier of the Kingdom of Sardinia. He was born at Turin on the August 1, 1810. He was the active force behind King Victor Emmanuel II, he was responsible more than any other man for the unification of Italy under the house of Savoy. Of a noble Piedmontese family, he entered the army at the age of 10 but came under suspicion for his liberal ideas and was forced to resign in 1831. He then devoted himself to travel, agricultural experimentation, and the study of politics. He was a significant figure in the movement towards Italian unification and the founder of the original Italian liberal party. Cavour was a liberal and had faith in free trade, public

right of opinion and secular rule. So on becoming the Prime Minister of Piedmont –Sardinia on November 4, 1852 Cavour strengthened the kingdom, reform taxation, stabilized the currency, and improved the railway system. In 1853, He supported the French and British in the Crimean War with troops, in anticipation to enhance the prestige of Piedmont-Sardinia. He engineered a tactful diplomatic alliance with France which helped Sardinia defeat the Austrian force in 1859. Count Camillo de Cavour made considerable efforts of the creation of modern Italian state. But unfortunately he died only three months after the declaration of a united Italy on June 6, 1861.

Q.4 How was the history of nationalism in Britain unlike the rest of Europe?

Ans.: Nationalism in Europe developed after the powerful revolutions, wars and military campaigns.

But Britain was an exception as there were no wars for nationalism actually before the eighteenth century there was no British nation. The people of different identities lived in the British Isles and were called ethnic ones. The ethnic group comprised English, Welsh, Scot or Irish. These groups had their own culture and political traditions. But slowly and steadily English nation grew in power and extended its influence over the other nations of the island.

In 1707 England united with Scotland and started to dominate the nation. After Scotland English people united with Irish and resulted in the formation of the ‘United Kingdom of Great Britain’ without any war or bloodshed.

This gave power to the England to impose its influence on other ethnic peoples. This led to the demolition of Scotland’s distinctive culture and political institutions. The Catholic clans that inhabited the Scottish Highlands suffered terrible repression whenever they attempted to assert

their independence. The Scottish Highlanders were forbidden to speak their Gaelic language or wear their national dress, and large numbers were forcibly driven out of their homeland.

The condition of Ireland was not different from Scotland. The country was divided between Catholics and Protestants. The English helped the Protestants of Ireland to establish their supremacy over Catholics. Catholics revolted but were soon suppressed and Ireland was forcibly included into the United Kingdom in 1801. This amalgamation led to the growth of new, powerful nation ‘British nation’. The symbols of the new Britain like the British flag (Union Jack, the national anthem (God Save Our Noble King), the English language were actively promoted. In the light of the above, we can say that the history of nationalism in Britain was completely unlike that of the rest of Europe.

Q.5 Why did nationalist tensions emerge in the Balkans?

Or

“The idealistic liberal-democratic sentiment of nationalism became a narrow creed with limited ends.” Support the statement in the context of Balkan nationalism in the early 19th century?

Ans.: The nationalist tensions emerge in the Balkans because of these reasons:

(i) Geographically and ethically diverse region : The Balkans consisted of regions of modern day Romania , Bulgaria , Albania , Greece , Macedonia, Croatia, Bosnia-Herzegovina, Slovenia, Serbia and Montenegro and their inhabitants were broadly known as Slavs was geographically and ethically diverse region compare to modern day.

(ii) When the ottoman Empire collapsed, It initiated nationalism in the Balkans states. Soon the feeling of nationalism spread and the situation

became very unstable. The ottoman Empire tried to control the situation by strengthening itself through modernization and internal reforms but fails to do it.

(iii) Gradually, its European nations got separated and fought for independence and political rights.

(iv) In the race to expand their territories and to impose their supremacy on each other, Slavic nationalities quickly got into severe clashes. As a result, the Balkan area became an area of intense conflict.

(v) During this period there was intense rivalry among the European powers over trade and colonies as well as naval and military might.

(vi) These rivalries were very evident in the way the Balkan problem unfolded. Each power –Russia, Germany, England, Austria, Hungary was keen on countering the hold of other powers over the Balkans, and extending its own control over the area. This led to continued series of wars in the region and finally, the First World war broke out in 1914.

Chapter 2

The Nationalist Movement in Indo-China

Write in Brief

Q.1A Write a note on:

What was meant by the ‘civilizing mission’ of the colonizers?

Ans.: The Europeans acquired colonies in Asian countries to use their resources on the name of bringing modern civilization to the backward countries. So they propagated the idea of a ‘civilizing mission’. It also meant the spread of western culture, thoughts, education, science, logic and language in colonies. Like the British in India, the French also claimed that they were bringing modern civilization to the Vietnamese. The French wanted to change the local cultures, religions and traditions as French believed they were outdated prevented modern development. So, they wanted to educate the ‘native’ to civilize them. They also established many schools in Vietnam in which science philosophy and French were taught. This they also did because they required educated local labour force.

Q.1B Write a note on:

Huynh Phu So

Ans.: Huynh Phu So

(i) Huynh Phu so was a revolutionary leader, Vietnamese philosopher, and Buddhist religious scholar born in 1919 and died in 1947.

(ii) He started an anti-French movement called the Hoa Hao movement in 1939. The movement drew on religious ideas popular in anti-French uprising of the nineteenth century. The French tried to suppress the movement.

- (iii) He was declared “mad banze” and put in mental asylum by French. Interestingly in 1941 he was announced sane, but exiled him to Laos and sent his followers to concentration camps, after the doctor treating him became his follower.
- (iv) Phu So performed miracles and helped the poor. He opposed the sale of child brides, gambling and the use of alcohol and opium.

Q.2A Explain the following:

Only one-third of the students in Vietnam would pass the school-leaving examination.

Ans.: French doesn't want Vietnamese to compete with them for better-paid jobs in Vietnam so, they plan the education system in the manner that only one-third of the students in Vietnam would pass the school-leaving examination. It was most announced by the French that those who would learn French and accept French culture would be rewarded with French citizenship. However, only a few elite Vietnamese could enroll in the schools, and among those admitted only a few ultimately passed the school-leaving examinations. So, they deliberately failed students, mainly in the final year, so they can't compete with French. Usually, as two-third of the students failed and in 1925, out of population of 17 million, less than 400 passed the examination. School textbooks glorified the French and justified colonial rule and represented the Vietnamese as primitive and backward, capable of manual labour only. School children were taught that only French rule could ensure peace in Vietnam.

Q.2B Explain the following:

The French began building canals and draining lands in the Mekong delta.

Ans.: The French began building canals and draining lands in the Mekong delta as Vietnam had fertile land which was suitable for rice

production and plantation crops. For the constant supply of natural resources and other essential goods colonies used to annex other countries and the custom was followed by French also. To increase cultivation in Vietnam the French started to expand its territories and began building canals and draining lands in the Mekong delta. The vast system of irrigation works-canals and earthworks-built with forced labour, increased the production of rice cultivation went up from 274,000 hectares in 1873 to 1.1 million hectares in 1900 and 2.2 million in 1930. By 1931, Vietnam became the third largest exporter of rice in the world. This was the main reason for French to build canals and draining lands.

Q.2C Explain the following:

The government made the Saigon Native Girls School take back the students it had expelled.

Ans.: The government made the Saigon Native Girls School take back the students it had expelled as protest broke out the government forced the school to take the children back. The protest began in 1926 in the Saigon Native Girls School, when a Vietnamese girl sitting in one of the front seats was asked to vacate the seat for a local French student and when she refuse, she was expelled from the school. Other students supporting her were also expelled. Now open protests started. To control the situation the students were taken back. These kinds of incidents only inspired the people and students of Vietnam to come together so, by the 1920s, students started forming various political parties, like the Party of Young Annan, and published several nationalist journals such as the Annanese Student. Thus Schools become important place for political and culture battles. The battle against French colonial education system became part of the larger battle against colonialism and for independence.

Q.2D Explain the following:

Rats were most common in the modern, newly built areas of Hanoi.

Ans.: When the French set about creating a modern Vietnam, they decided to rebuild Hanoi using modern engineering skills. The city was famous for its drainage and sewer system. These sewers became the hiding and breeding points for rats. Because of these sewers they can travel from one part to another and entered well cared homes of French. Apart from education, deteriorating health and hygiene in the country also agitated Vietnamese and inspired the nationalist feelings among them. In 1903, the modern part of Hanoi was struck by bubonic plague.

Reasons for the plague are:

- (i) The French part of Hanoi was build beautifully with wide streets and a well-laid-out sewer system, while the ‘native quarter’ was not even provided with any necessary facilities.
 - (ii) The waste and rubbish was drained straight out into the river so during the heavy rains or floods it would overflow into the streets.
 - (iii) Thus, the sewers which were built to create a hygienic environment become the hiding and breeding point for rats and cause of the plague. As these sewers served as medium of transfer of rats into the city.
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- (a) A 'Rat-Hunt' was started in 1902, to get rid of these rats.(b) The French hired Vietnamese workers for this work and paid them for each rat they caught.
 - (c) Rats began to be caught in thousands but the money wasn't enough for the work Vietnamese doing. Those people who did the dirty work of entering sewers thought that if they came together, they could earn more money.

- (d) The bounty was paid when a tail was given as a proof that a rat had been killed. So, to earn more money the rat-catchers took to just clipping the tails and releasing the rats, so that the process could be repeated, over again.
- (e) Ultimately, the French were forced to stop the bounty programme. Besides this arrangement, the plague swept through the area.

Q.3 Describe the ideas behind the Tonkin Free School. To what extent was it a typical example of colonial ideas in Vietnam?

Ans.: The ideas behind the Tonkin Free Schools were basically dominated by the westernization of locals by providing them necessary education and to look modern.

This was meant to break the Vietnamese from their tradition of keeping long hair. To bring about a total change, the Vietnamese were told to drop their local practices, study western customs and ideas and speak openly and frankly.

- (i) The Tonkin free school was started in 1907 to provide a western style education to Vietnamese with classes on science, hygiene and French.
- (ii) People were not only encouraged to learn western ideas and education but also to look modern by adopting western styles such as having a short haircut. In Vietnam the tradition was of keeping the long hairs.
- (iii) French education system and their text depicted French as superior and Vietnamese as backward and old fashioned.
- (iv) Many Vietnamese teachers and students opposed the text which glorifies French. They did not blindly follow the curriculum and the teachers started modifying the text and criticizing what was stated about Vietnamese.

(v) In 1920s, students started forming various political parties, like the Party of Young Annan, and published several nationalist journals such as the Annanese Student.

(vi) The battle against French colonial education became part of the larger battle against colonialism and for independence.

So, the school was a typical example of colonial ideas as it only glorified the French and justified their colonial rule. It represented Vietnamese as inferior to the French and backward, old fashioned and skilled copyists but not creative.

Q.4 What was Phan Chu Trinh's objective for Vietnam? How were his ideas different from those of Phan Boi Chanu?

Ans.: Phan Boi Chau and Phan Chu Trinh's were great nationalist of Vietnam. Both have same visions of Vietnam's independence, but they differed in thinking to achieve those visions. Both pursued the same goal i.e. liberation of Vietnam from the French rule but with different means. Their differing views are given below:

Phan Boi Chau	Phan Chu Trinh
(i) He believed that first the foreigners should be driven out of the country and after their independence they could lay about other things.	(i) He supported the western civilization. He also wanted to overthrow the foreign rule but at the same time he was not against the setting up of French legal and educational institutions in Vietnam.
(ii) His was in favor of monarchy. He wanted to raise up the Vietnamese to end monarchy in due course of time.	(ii) He was against Phan Boi Chau's monarchy theory. He believed in overthrowing the

<p>(iii) He was greatly influenced by China and accepted a political framework headed by a monarch.</p> <p>(iv) He advocated for the help of the court to resist the French.</p>	<p>monarchy to promote popular rights.</p> <p>(iii) He wished to establish democratic republic in Vietnam. He was deeply influenced by the democratic ideals of the west and also demanded the legal and educational institutions along with the development of agriculture and industries.</p> <p>(iv) He opposed the idea of resisting the French with the help of the court.</p>
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Discuss

Q.1 With reference to what you have read in this chapter, discuss the influence of China on Vietnam's culture and life.

Ans.: China influenced Vietnam's culture in many ways even before the French conquered Vietnam. Nationalism in Indo-China developed in a colonial environment. Indo-china comprises the modern countries of Vietnam, Laos and Cambodia. Its early history shows many different groups of people living in this area under the shadow of powerful empire of China. Though Vietnam gained formal independence in 1945, before India, it took 3 decades to attain republic. Even when an independent country was established in what is now northern and central Vietnam, its rulers kept on maintaining the Chinese system of government as well as Chinese culture. In Vietnamese, Chinese was the language of elite. Confucianism, the religion of china, was followed by Vietnamese. Vietnam was well linked to the maritime silk route. The maritime silk route made an important contribution in exchange of goods, people and

ideas. The French found it difficult to dislodge the influence of Chinese culture on Vietnamese.

Q.2 What was the role of religious groups in the development of anti-colonial feeling in Vietnam?

Ans.: Vietnam's religious beliefs were a mixture of Buddhism, Confucianism, and local practices. Confucianism was followed by elite class and peasantries were shaped by the Buddhism and local practices. The French missionaries introduced Christianity and tried to convert Vietnamese to Christianity. This was seen as an interference in the religious beliefs of the Vietnamese. This helped to unite them against a common cause and developed a sense of nationalism.

(a) The Scholars' Revolt:

(i) Started in 1868 and was led by officials at the imperial court against the French domination.

(ii) These officials were angered by the spread of Catholicism and French Power on Vietnamese.

(iii) They led a general uprising in Ngu An and Ha Tien provinces where over a thousand Catholics were killed.

(iv) The movement was crushed by the French but it inspired other patriots to rise up against them.

(b) Hoa Hao Movement:

- (i) Another movement called the Hoa Hao movement, started in 1939 in the fertile Mekong delta area by Huynh Phu So.
- (ii) It drew on religious ideas popular in anti-French uprising of the nineteenth century. He opposed the sale of child brides, gambling and the use of alcohol and opium.
- (iii) The French tried to suppress the movement inspired by Huynh Phu So. They declared him mad. But when in 1941, even the French doctors declared that he was sane, the French authorities exiled him to Laos.
- (iv) These movements were of great significance in arousing anti-colonial sentiments in Vietnam.

Q.3 Explain the cause of the US involvement in the war in Vietnam. What effect did this involvement have on life within the US itself?

Ans.: The US got involved in this war in Vietnam because they feared that a communist government would come in power after the national liberation front formed a coalition with Ho Chi Minh government in the north, against the Ngo Dinh Diem's regime.

The following were the causes of the US involvement in the war in Vietnam:

- (i) To prevent the spread of communism: The US policy planners got afraid of the victory of the Ho Chi Minh government. Communist

government would be established in other countries in the area. The US could not tolerate the spread of communism and decided to intervene decisively.

(ii) Humiliation: France had to face great humiliation in Vietnam. America, therefore, wanted to crush this country forever in order to save the prestige of the capitalist countries like France.

(iii) Establish democracy: US wanted to establish democracy in Vietnam but North Vietnam was led by communist party so they tried to influence the southern Vietnam. America did not want the unification of South Vietnam gladdened America. But when the heads of the two parts (North Vietnam and South Vietnam) tried to unify them the US could not tolerate. It sent troops and arms in Vietnam to crush its power.

But US into the war proved costly to the Vietnamese as well as the Americans.

Effect of involvements on life within the US

(i) The widespread attack caused huge killing of civilians and armed forces. Several people became critical of the US government for getting involved in a war that they saw as indefensible. American youth highly rejected to participate in war.

(ii) Even though the US had advanced technology and good medical supplies, casualties were high.

(iii) When the youth were drafted for the war, the anger spread. Compulsory service in the armed forces was waived for university graduates. This meant that many of those sent to fight belonged to working-class families.

(iv) Use of advanced technology and weapons increased the expenses of US which led to increment in taxes and public debt. Due to large supply of food to army troops, inflation increased that effected US economy badly.

(v) US was criticized by its political leader, media and other nation for brutal war in Vietnam. For underestimating the power of small country, US had to pay cost by losing the war.

Q.4 Write an evaluation of the Vietnamese war against the US from the point of

(a) A porter on the Ho Chi Minh trail

(b) A woman soldier

Ans.: (a) A porter on the Ho Chi Minh trail.

The evaluation of Vietnamese war from the point of view of a porter on the Ho Chi Minh trail. The war was disastrous for both the countries. The Vietnamese had to suffer a lot but even then they did not give up and continued the war against US. Ho Chi Minh trail was an important link to understand the real nature of war between Vietnam and the US. As a porter on that trail porters felt proud because it was the matter of great honor. With a very limited resource the Vietnamese could resist against the US forces. This trail was an immense network of footpaths and roads. It was used to transport men and materials from the north to the south. It had also support bases and hospitals. In some parts supplies were transported in trucks but mostly they, the porters, did these jobs. They

used to carry about 25 kilos on their backs or about 70 kilos on their bicycles. The trail was bombed regularly by the US forces in order to disrupt supplies but they were so prompt that they could rebuild the damage very quickly. It was their confidence and devotion to the nation that made them to do so and they could fight such a super power.

(b) A woman soldier.

During US-Vietnam War I Vietnamese woman displayed indomitable courage in US-Vietnam war. They joined the struggle with the men and fought for the country. Their prime duty was not only as a fighter but we also nursed the wounded, constructed underground rooms and tunnels. They did everything with complete devotion for the nation. They were undoubtedly of the view that the operation of the US military forces could not calm down their aspiration and they strongly believed that their victory over US was certain.

Q.5 What was the role of women in the anti-imperial struggle in Vietnam? Compare this with the role of woman in the nationalist struggle in India.

Ans.: Women played a crucial role in the anti-imperial struggle in Vietnam. Women who rebelled against social conventions were idealized and rebel women of the past were likewise celebrated.

(i) Women in as rebels:

Women played a crucial role in the anti-imperial struggle in Vietnam. Women who rebelled against social conventions were idealized and rebel women of the past were likewise celebrated. Women in Vietnam traditionally enjoyed greater equality in comparison to that in China. They had only limited freedom to take decision about their future. They had no public life. But with the growth of nationalist movement the status of women improved. Writers and political thinkers began idealizing women who rebelled against social norms. This rebellion against social

conventions marked the arrival of the new woman in Vietnamese society. They participated in wars with the men for the freedom of their nation. A play was written by the nationalist Phan Boi Chau in 1913 on the lives of the Trung Sisters who had fought against Chinese domination in 39-43 CE. In this play, he depicted these sisters as patriots paintings, plays and novels as representing the strong will and the deep patriotism of the Vietnamese.

(ii) Women as warriors/ fighters:

The new woman was inspired to action by early woman revolutionaries. In the 1960s, women were represented as brave fighters by magazines and journals. They were portrayed as young, brave and dedicated. Nguyen Thi Xuan was reputed to have shot down a jet with just twenty bullets. Trieu Au was a popular figure in nationalist tales.

(iii) Women as workers:

Women were also represented as workers. Many women joined the resistance movement in Vietnam as fighters and warriors when casualties increased in the 1960's. They assisted in nursing wounded soldiers, constructing underground tunnels and fighting the enemy. Interestingly, between 1965 and 1975, 70-80% of the youth working on the Ho Chi Minh trail were women.

(iv) Women in times of peace:

By the 1970s, as peace talks began to get under way and the end of the war seemed near, women were no longer represented as warriors. Now the image of women as worker begins to predominate. They were shown working in agricultural cooperatives, factions and production units, rather than as fighters.

Comparison between the role of women in the anti-imperials struggle in Vietnam and that in the nationalist struggle in India-

In India women like Sarojini Naidu, Kamla Nehru and Kasturba Gandhi were keenly involved in politics but compared to the direct and active participation of Vietnamese women in the anti-imperial struggle, India women did not play a very dynamic role in the nationalist struggle of India against Great Britain. They followed Gandhian ideals of boycotting foreign goods and picketing liquor shops, but mainstream politics was controlled by men only.

Still there are some similarities such as:

- (a) During the launch of the civil Disobedience Movement Indian women participated in it on a large-scale.
- (b) During Gandhiji's salt march, thousands of women came out of their homes to listen to him and to walk with him.
- (c) They participated in protest marches and manufactured salt.
- (d) They boycott foreign cloth and liquor shops. Many women went to jail also.
- (e) They began to see service to the nation as a sacred duty of women.