Unit VI: Development Experience (1947–1990)

🧠 Solved Textual Questions & Answers

1. What were the four development goals specified in the Five-Year Plans?

Ans.: Growth, Modernisation, Self-Reliance, Equity.

2. Why was Mahalanobis significant in India's planning history?

Ans.: The Second Plan (1956–61), based on Mahalanobis's model, prioritized public sector-led industrialisation and heavy industry development.

3. What was the share of agriculture in GDP in 1950-51, and how did it change by 1990-91?

Ans.: Agriculture accounted for ~59 % in 1950-51 and fell to ~35 % by 1990-91, with service sector rising to ~40.5 %.

4. What was the "Hindu rate of growth"?

Ans.: A term referring to India's low average growth rate—around 3–4 % annually—between the 1950s and 1980s.

5. What was the Green Revolution and its impact?

Ans.: A technology-led transformation in the 1960s–70s using high-yielding seeds, fertilisers, and irrigation that significantly boosted food grain production, moving India toward self-sufficiency.

✍️ Short Answer Questions (2–3 Marks)

1. **What were the outcomes of land reforms?**
   Distribution of land rights to tenants, abolition of intermediaries, and introduction of land ceilings—though unevenly implemented.
2. **What changes did Industrial Policy Resolution (1956) bring?**
   It divided industries into public, private, and small-scale sectors and introduced state control over licensing for industrial expansion.
3. **How did the share of industry in GDP evolve?**
   Industrial share rose from ~13 % in 1950-51 to ~24.6 % by 1990-91 due to import substitution and heavy industry emphasis.
4. **Why was equity included as a planning objective?**
   To ensure the benefits of growth reached all strata of society, including the poor, and to reduce income inequality.
5. **What were the limitations of India's pre-1990 model?**
   Slow growth, over-regulation, lack of global orientation, inefficient public sector, persistent poverty, and inadequate diversification.

📌 Long Answer Questions (4–6 Marks)

1. **Discuss the achievements and failures of India's Five-Year Plans (First to Seventh).**
   → Though planned growth achieved structural shifts—agriculture decline in contribution, growth of industry and services—many goals like equity and self-reliance

remained partially unmet. Growth was slow and dependent on deficit financing, especially during 1960s–1980s.

2. **Explain the concept and outcomes of the Green Revolution.**
   → By the mid-1960s, New Agricultural Strategy introduced HYV seeds, irrigation, and fertilisers—primarily benefiting wheat- and rice-growing regions in select states—leading to food security but limited spread.
3. **Analyze the role of public and small-scale industries as per Industrial Policy Resolution 1956.**
   → Public sector led heavy industries (like steel and power), while small-scale units were shielded and incentivized via license and reservation policy to promote employment and regional equity.
4. **What factors contributed to India's slow GDP growth before 1990?**
   → License-raj regulations, import substitution inefficiencies, lack of competition, limited private sector dynamism, macroeconomic instability, external shocks (like wars and drought), and underinvestment in infrastructure.
5. **Outline the structural changes in the Indian economy (1947–1990).**
   → Agricultural share dropped significantly; industry grew moderately; services expanded fastest. Occupational structure remained skewed—most population continued in agriculture despite its declining GDP share.

📚 20 Additional Model Questions & Model Answers

🔹 Short Answer (2–3 Marks)

1. **What was the average annual growth rate during the first plan?**
   → It exceeded 4 %, beating the 2 % target for 1951–56.
2. **What is meant by 'marketed surplus' in agriculture?**
   → The portion of agricultural production sold in the market after meeting subsistence needs.
3. **Describe tenancy reforms enacted post-independence.**
   → Regulation of rent, secure tenancy, and ownership rights for tenant farmers.
4. **What triggered the P.C. Mahalanobis model?**
   → The need to rapidly industrialize via public investments in heavy industries.
5. **Why were small-scale industries reserved and supported?**
   → To generate employment and promote equity by supporting labor-intensive units.
6. **What was the consequence of over-reliance on deficit financing?**
   → Inflation, mounting public debt, and growing macroeconomic imbalances.
7. **Explain why industrial growth lagged in the 1960s.**
   → Due to political instability, wars, droughts, and insufficient infrastructure.
8. **Why did service sector share rise before liberalisation?**
   → Public administration, trade, transport, and financial services expanded.

9. **What were the uneven outcomes of Green Revolution?**
→ Benefits concentrated in certain regions; landless and marginal farmers often excluded.

10. **Define 'self-reliance' as per economic planning goals.**
→ Reducing imports and producing domestically to safeguard sovereignty and reduce dependence.

🟢 Long Answer (4–6 Marks)

11. **Evaluate the mixed success of equity initiatives in the Plans.**
→ Land reforms and reservation supported equity, but inequality persisted due to incomplete implementation and unequal access to growth opportunities.

12. **Discuss how India's licensing system affected industrial growth.**
→ Licensing restricted expansion, discouraged competition, led to inefficiency and corruption.

13. **Explain how the economy began breaking away from the 'Hindu rate of growth'.**
→ In the 1980s, liberalising reforms (though modest) lifted growth to ~5.6%, setting the stage for 1991 reforms.

14. **Compare structural shifts in GDP and employment between 1950 and 1990.**
→ While agriculture's GDP share fell, most of the workforce remained in agriculture, reflecting underemployment in non-agricultural sectors.

15. **Discuss how land reforms and Green Revolution sought to increase agricultural productivity.**
→ Land reform sought to restructure agrarian ownership;

Green Revolution modernized farming with technology adoption.

16. **What were the limitations of import substitution strategy?**
→ Induced inefficiency, lack of global competitiveness, and reliance on expensive protective regimes.

17. **Outline reasons for external debt rise by 1990.**
→ Financing of growing fiscal deficits, repeated imports, and aid shocks due to drought and wars.

18. **What lessons did the economy learn by 1990?**
→ The need for deregulation, global integration, private sector participation, and balanced fiscal management.

19. **Explain how the performance of India differed from East Asian economies before 1990.**
→ India had lower per capita growth (~1–2%) and slower poverty reduction; East Asia grew faster due to export-led industrialization.

20. **Summarize India’s development legacy from 1947 to 1990.**
→ Mixed economy rooted in socialism built institutional structures and food security, but inefficiencies and slow reform postponed large-scale prosperity until 1991.