

MACRO ECONOMICS **ASSIGNMENT**

GROUP DISCUSSION-1(REPORT)

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SEC-A

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TOPIC- Economic system chosen by India after independence.

India chose a mixed economy system for a variety of reasons, and here are the step-by-step explanations of these reasons:

- 1. Historical context:** India gained independence from British colonial rule in 1947. At that time, the country had a primarily agrarian economy, with a large population living in rural areas. The Indian leadership believed that a mixed economy was the best way to create economic growth and development that could lift the masses out of poverty.
- 2. Socialist ideals:** India's leaders at the time were also heavily influenced by socialist ideas, which advocated for public ownership of key industries and a focus on equitable distribution of wealth. This led to the creation of the public sector in India, which was responsible for managing key industries like steel, coal, and banking.
- 3. Strategic reasons:** India's leaders also believed that a mixed economy was necessary for strategic reasons. They believed that allowing private enterprise to flourish would create a class of wealthy individuals who could challenge the government's authority. A mixed economy, on the other hand, would allow the government to maintain some control over the economy and prevent the concentration of wealth in the hands of a few.
- 4. Limited resources:** India also had limited resources at the time, which meant that the government needed to play a role in investing in key industries and infrastructure. The mixed economy allowed the government to do this through public investment, while also allowing for private enterprise to contribute to economic growth.
- 5. Development goals:** India's leaders had ambitious goals for economic development, including building a strong industrial base and improving the standard of living for all citizens. A mixed economy was seen as the best way to achieve these goals, as it allowed for a balance between public and private enterprise.

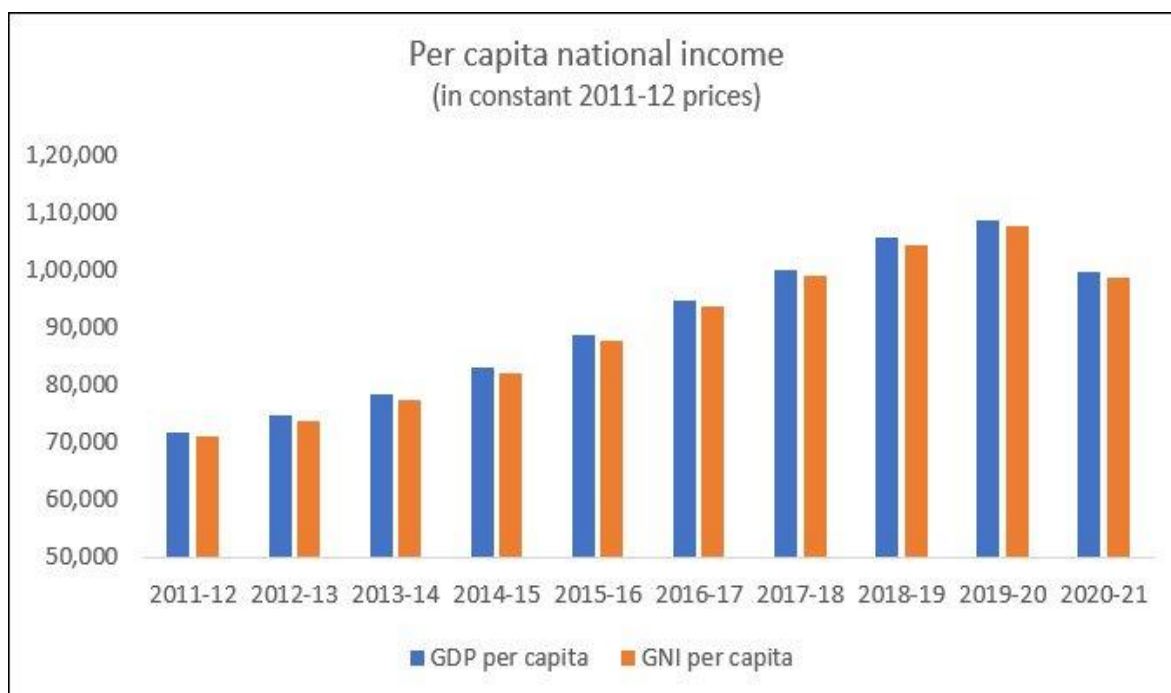
Overall, the decision to adopt a mixed economy system in India was driven by a combination of historical context, socialist ideals, strategic reasons, limited resources, and development goals. While the system has faced some challenges and criticisms over the years, it has also contributed to India's economic growth and development.

IMPACT

The impact of this mixed economy system was significant. It helped in the establishment of public sector industries, which helped in the development of key infrastructure such as power generation, transportation, and communication networks. It also led to the implementation of various social welfare schemes such as the Public Distribution System, MGNREGA, and subsidies for farmers.

The National Income trends in India over time - the policies behind it

The National Income trends in India over time have been influenced by various policies, both positive and negative. The national income trends have shown a steady growth, with occasional slowdowns, since the adoption of the mixed economy system. Policies such as the Green Revolution in the 1960s and economic liberalization in the 1990s played a significant role in the growth of the economy.

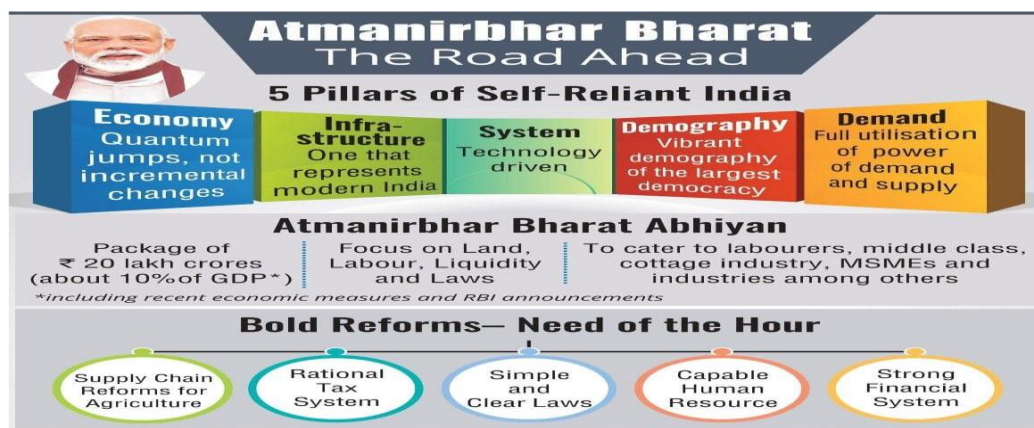


Growth pattern of Indian economy - growth Vs development

The growth pattern of the Indian economy has been a topic of debate. While India has experienced significant economic growth, it has not translated into an equal level of development across all regions and communities. The economic growth has been accompanied by rising inequality, high levels of

unemployment, and environmental degradation. Thus, there is a need for policies that promote sustainable and inclusive growth that benefits all segments of society.

In recent years, the Indian government has taken various steps to promote economic growth and development. These include measures such as the Make in India initiative, the Digital India campaign, and the Atmanirbhar Bharat Abhiyan. These initiatives aim to create jobs, promote entrepreneurship, and make India self-reliant in various sectors.



CONCLUSION

In conclusion, India adopted a mixed economy system after its independence, which has led to significant economic growth and social welfare. However, the growth pattern of the economy has been uneven, and there is a need for policies that promote sustainable and inclusive growth. Overall, the Indian economic system is complex and multifaceted, with both strengths and weaknesses. Efforts to address the country's economic challenges and promote sustainable growth will continue to be a priority for policymakers and stakeholders.