

Chapter: 4

Q.1 Choose the right option and rewrite the sentence.

2

- 1 declared a 20 point programme.
a. Pandit Nehru b. Lal Bahadur Shastri
c. Indira Gandhi d. P.V. Narsimha Rao

Ans Indira Gandhi declared a 20 point programme.

- 2 On 19th July, 1969 major banks in India were nationalised.
a. 12 b. 14 c. 16 d. 18

Ans On 19th July, 1969 **14** major banks in India were nationalised.

Q.2 Identify the wrong pair :

4

1	i. Kawasjee Dawar	-	Iron and steel factory
	ii. Dr. Datta Samant	-	Leadership of mill workers
	iii. N. M. Lokhande	-	Holiday for mill workers
	iv. Narayan Surve	-	Depiction of lives of workers through poems

Ans Wrong Pair - Kawasjee Dawar - Iron and steel factory

Correct Pair - Kawasjee Dawar - Textile mill

2	Individual		Work
	i. Sixth	-	Alleviation of poverty and employment generation
	ii. Seventh	-	Food, employment and productivity
	iii. Eighth	-	Liberalisation of economy
	iv. Ninth	-	Emphasis on basic and heavy industries

Ans Wrong Pair - Ninth - Emphasis on basic and heavy industries

Corrected - Second - Emphasis on basic and heavy industries

- 3 (1) Girangaon - Town of mills
(2) N.M.Lokhande - Associate of Jyotirao Phule
(3) Rajiv Gandhi - Nationalized 14 banks in 1969
(4) Manmohan Singh - Finance minister

Ans Wrong pair: Rajiv Gandhi - Nationalized 14 banks in 1969

Corrected pair: Indira Gandhi - Nationalized 14 banks in 1969

- 4 (1) Rail engine factory - Chittaranjan
(2) Chemical fertilizers plant - Bhilai
(3) Railway bogies factory - Perambur
(4) Iron and steel industry - Durgapur

Ans Wrong pair: Chemical fertilizers plant - Bhilai

Q.3

Complete the given concept map

6

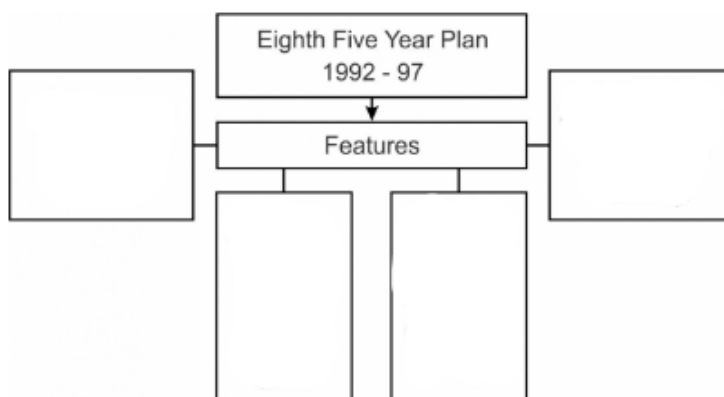
1

Five year plans	Duration	Purpose
First	Agriculture, Social development
Second	1956-1961	Industrialisation
Third	Elimination of inequality, increasing the opportunities for employment, increase in National income.
.....	1969-1974	Scientific research, health and family planning.
Fifth	Making India economically self-sufficient by alleviating poverty.

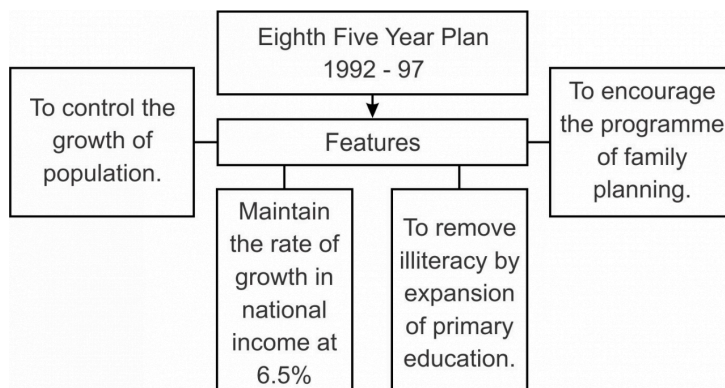
Ans

Five year plans	Duration	Purpose
First	1951-1956	Agriculture, Social development
Second	1956-1961	Industrialisation
Third	1961-1966	Elimination of inequality, increasing the opportunities for employment, increase in National income.
Fourth	1969-1974	Scientific research, health and family planning.
Fifth	1974-1979	Making India economically self-sufficient by alleviating poverty.

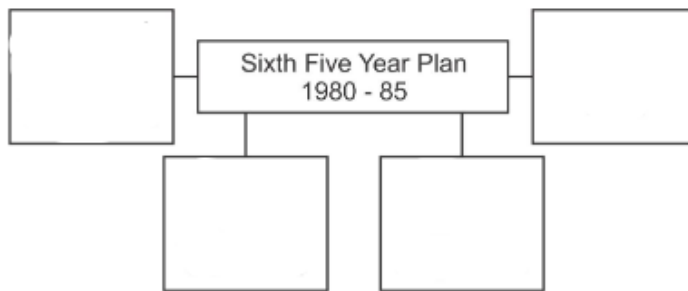
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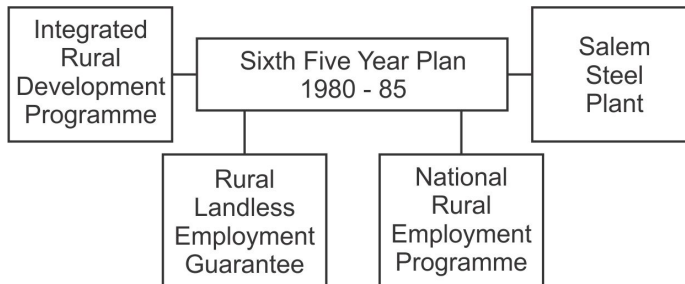
Ans



3



Ans



Q.4 Explain the statement stating reasons.

6

1 Independent India opted for mixed economy.

- Ans**
- At the time of India's Independence, some countries around the world had adopted capitalist economy and some others had a socialist approach.
 - In order to achieve optimal economic development, the then Prime Minister of India Pandit Jawaharlal Nehru adopted the middle path rather than taking recourse to any of the two extremes.
 - This middle path combining features of both capitalist and socialistic economy system is known as mixed economy.
 - After suffering for centuries at the hands of British, the condition of infrastructure in the country was very poor. There were negligible heavy industries and in order to develop them, it was necessary that government had to play an important role.
 - Infrastructural Development sectors like defense, railways, airport and sea port development etc which require huge capital are often avoided by the private industrialists due to capital constraints and delayed returns.
 - On the same hand, factors such as inefficiencies of public sector, lack of modernisation, excessive control on private sector lead to stagnation of India economy and thus in order to boost up growth in the country and to reduce the inefficiency in the public sector, Independent India opted for mixed economy.

2 Banks were nationalised in 1969.

- Ans**
- Till 1969, banking in India was a monopoly of the private sector.
 - The Directors of these private banks were working towards doing only business with the rich class of the country and had been ignoring the poor farmers in order to increase their profits.
 - Besides this, the huge profits amounted by these banks over the period of time was necessary to fund the various growth and development programmes and cover the deficits if they occurred while implementing different schemes.
 - Also, most of these private banks at that time operated in only urban areas and therefore the nationalisation of the major banks was deemed necessary.
 - During the tenure of Prime Minister Indira Gandhi, 'Congress forum for socialist action' a group inspired by socialist ideas made a demand for nationalisation of commercial banks.

3 Mill workers went on strike on 18th January 1982.

- Ans**
- During the 1980's the conditions of the workers in sectors other than textile started improving due to increased wages and larger bonus.
 - Also, as compared to textile workers, other workers were getting better facilities.
 - This was the cause of increasing unrest among the textile mill workers.
 - In the Diwali of 1981, the workers received a bonus of only 8 to 17% against the expected 20%. This caused the outburst of feeling of discontent among all the textile mill workers.
 - As a result, On 18th January 1982 2.5 lakh mill workers went on strike which caused the textile mills to stop working and making it seem like the heart of Mumbai had stopped throbbing.

- vi. Initially the striking workers received help from their native villages and set up departmental committees and distributed food grains and assistance in the form of funds etc.
- vii. Till 6 months the Central Government completely ignored the strike which lead to start of 'Jail Bhara Agitation' and in September 1982, 1.5 lakh mill workers took a march on Legislative Assembly of Maharashtra State.
- viii. It became the first Strike to go unresolved for more than a year and during this period about 1.5 lakh workers became unemployed.

Q.5 Answer in brief

12

1 Which projects were started in the 2nd five-year plan?

Ans The second five year plan was focussed on Industrialization.

The following projects were started during the plan:-

- i. Iron & Steel industry at Durgapur, Bhilai and Rourkela.
- ii. Chemical fertilizers plant at Sindri.
- iii. Rail engine factory at Chittaranjan and rail bogies factory at Perambur.
- iv. Ship Building factory at Vishakhapatnam.
- v. Huge Dams like Bhakra-Nangal, Damodar, etc.

2 Which programmes were started in the 8th five-year plan?

Ans The Eighth five year plan primarily focussed on maintaining the growth rate of development, controlling the growth of population, promote family planning, removing illiteracy by expansion of primary education.

Following programs were started during the Eighth five year plan:-

- i. Pradhanmantri Rozgar Yojana
- ii. Mahila Samridhi Yojana
- iii. Rashtriya Samajik, Arthik Sahayata Yojana
- iv. Midday Meal Scheme
- v. Indira Mahila Scheme
- vi. Ganga Kalyan Scheme.

3 Explain the Concepts- 20-point Programme

Ans i. The 20 point programme was announced in the year 1975 by the then Prime Minister of India, Indira Gandhi.

ii. The basic objective of the 20-Point Programme is to eradicate poverty and to improve the quality of life of the poor and the under privileged population of the country.

iii. The programme was aimed at rapidly transform India into a developed nation.

iv. As the name suggests, the programme consisted of 20 points or areas on which the country needed to focus.

v. The main provisions of the 20 point programme were as follows:-

- a. Land ceiling for cities and agricultural land, equal division of wealth, minimum wages for workers, increase in water conservation schemes.
- b. Worker's participation in Industry, national training schemes, freeing of bonded labour.
- c. Prevention of tax evasion, economic crimes and smuggling.
- d. Regulation of prices of basic necessities, improvement in the public distribution system.
- e. Improvement in the textile industry by developing handloom sector, waiving loans for weaker sections, housing for all, communication facilities, making educational equipment available to schools.

4 Explain the Concept - Mixed Economy

Ans i. In Capitalist System, the means of production are privately owned whereas in the Socialist economy the means of production are owned by the state or the Government.

ii. At the time of India's Independence, some countries around the world had adopted capitalist economy and some others had a socialist approach.

iii. In order to achieve optimal economic development, the then Prime Minister of India Pandit Jawaharlal Nehru adopted the middle path rather than taking recourse to any of the two extremes.

iv. This middle path combining features of both capitalist and socialistic economy system is known as mixed economy.

v. There are basically three parts or participants in the mixed economy viz. Public Sector which are completely under the control of Government, Private Sector owned and controlled by private industrialists and Joint sector having participation of both government and private industrialists.

- vi. Co-ordination between the private and public sector is very essential for the smooth operation of mixed economy.
- v. Mixed economy brings together the good aspects of both extremes while trying to eliminate the disadvantages of them.
- vi. It gives priority to National interest without ignoring the profit motive, entrepreneurship, discipline, time bound planning etc. necessary for economic development.
- vii. Infrastructural Development sectors like defence, railways, airport and sea port development etc which require huge capital are often avoided by the private industrialists due to capital constraints and delayed returns.
- viii. In these sectors the Government plays an important role by taking initiative.

Q.6 Read the passage and answer the questions based on it.

20

1

In the beginning, the striking workers received help from their native villages. It was also not very difficult for them to help each other. They set up departmental committees and distributed food grains, assistance in the form of funds, etc. The left parties had supported the strike. As the strike dragged on, efforts were made to split the striking workers' ranks. Even as the strike completed 6 months, the central government completely ignored it. The workers started a 'Jail Bhara Agitation'. In September 1982, one and a half lakh workers took a march on the Legislative Assembly of Maharashtra State. It didn't help at all. The strike completed a year. This was the first strike to have gone on for a year. In this period, about one and a half lakh workers became unemployed. As polyester had come into greater demand than cotton cloth, the sale of mill cloth had already got affected. The mills moved from Mumbai to Surat in Gujarat. The Central government nationalised 13 textile mills. Appointment of arbitrators did not help to resolve the issue.

- i. Where did cotton cloth mills shifted after being established in Mumbai ?
- ii. Which is the strike that lasted long ?
- iii. Result of workers strike was not fruitful. Explain.

Ans

- i. The mills moved from Mumbai to Surat in Gujarat.
- ii. Mills worker strike have gone for a year.
- iii. As the central government completely ignored it, the workers started a 'Jail Bhara Agitation'. In September 1982, one and a half lakh workers took a march on the Legislative Assembly of Maharashtra State. It didn't help at all. The strike completed a year. This was the first strike to have gone on for a year. In this period, about one and a half lakh workers became unemployed.

2

For mixed economy to run smoothly there is a need for coordination between the private sector and the public sector. This system aims at maximisation of production and popular participation on a large scale. An effort has been made in this system to bring together the good aspects of both the capitalist and the socialist systems. A mixed economy cannot ignore the profit motive, entrepreneurship, discipline, time bound planning, etc.

A mixed economy also naturally tends to give priority to national interest. Long term development is stressed upon with priority. The industries like defence, scientific research, education, roads, railways, waterways, sea port and airport development require huge capital investment but the returns in these areas are delayed. Not many private industrialists are keen to invest in these areas. In such a situation, the government has to take the initiative.

Thus, India adopted the mixed economy model and five year plans and started off on its path of development. The industrial policy of 1973 increased the speed of development. Priority was given in this policy to control the influence of heavy industries and remove the imbalance in regional development. The government focused on the development of small scale industries and cottage industries. Government also started paying more attention to the cooperative sector.

- i. What is needed to run mixed economy smoothly?
- ii. What are the important things that cannot be neglected by mixed economy?
- iii. Government has to take the initiative to invest in some industries. Explain.

Ans

- i. to run mixed economy, there is a need for coordination between the private sector and the public sector.
- ii. A mixed economy cannot ignore the profit motive, entrepreneurship, discipline, time bound planning, etc.
- iii. The industries like defence, scientific research, education, roads, railways, waterways, sea port and airport development require huge capital investment but the returns in these areas are delayed. Not many

private industrialists are keen to invest in these areas. In such a situation, the government has to take the initiative.

3

In the Diwali of 1981, the workers expected to get a bonus of 20%. The Rashtriya Mill Mazdoor Sangh, which was negotiating with the employers, agreed upon 8 to 17% bonus without taking the workers into confidence. The cut in the bonus proved to be the cause of unrest. Some workers went to Dr Datta Samant. They asked him to accept their leadership. Workers of 65 mills came together and Dr Datta Samant led the strike. On 18th January 1982, two and a half lakh workers went on a strike. Girangaon mills stopped running making it seem like Mumbai's heart stopped throbbing. The Chief Minister of Maharashtra, Barrister A. R. Antulay set up a committee to solve this issue. Later Babasaheb Bhosale became the Chief Minister of Maharashtra State. He insisted that as per law, he would talk only with the Rashtriya Mill Mazdoor Sangha. Dr Datta Samant demanded that the law be revoked.

- i. What did Babasaheb Bhosale insisted?
- ii. On which date workers went on strike?
- iii. Why did worker went on strike?

- Ans**
- i. Babasaheb Bhosale insisted that as per law, he would talk only with the Rashtriya Mill Mazdoor Sangha.
 - ii. On 18th January 1982, workers went on a strike.
 - iii. In the Diwali of 1981, the workers expected to get a bonus of 20%. The Rashtriya Mill Mazdoor Sangh, which was negotiating with the employers, agreed upon 8 to 17% bonus without taking the workers into confidence. The cut in the bonus proved to be the cause of unrest.

4

After the third five year plan, three one year plans were implemented (1966 to 1969). This was a period of intense famine. Due to the invasion by China and war with Pakistan, the government had to focus on defence rather than development related tasks. Also the famine required the government to undertake measures to tackle the effects of famine. All these issues stressed the Indian economy greatly.

- i. The Indian Economy was greatly affected because.
- ii. Events after the third five year plans.

- Ans**
- i. a. Famine
b. Invasion of China
 - ii. a. Three one year plans were implemented (1966 – 1969)
b. The government had to focus on defence rather than development.

5

For mixed economy to run smoothly there is a need for coordination between the private sector and the public sector. This system aims at maximisation of production and public participation on a large scale. An effort has been made in this system to bring together the good aspects of both the capitalist and the socialist systems. A mixed economy cannot ignore the profit motive, entrepreneurship, discipline, time bound planning, etc.

A mixed economy also naturally tends to give priority to national interest. Long term development is stressed upon with priority. The industries like defence, scientific research, education, roads, railways, waterways, sea port and airport development require huge capital investment but the returns in these areas are delayed. Not many private industrialists are keen to invest in these areas. In such a situation, the government has to take the initiative.

Thus, India adopted the mixed economy model and five year plans and started off on its path of development. The industrial policy of 1973 increased the speed of development. Priority was given in this policy to control the influence of heavy industries and remove the imbalance in regional development. The government focused on the development of small scale industries and cottage industries. Government also started paying more attention to the cooperative sector.

- i. What is needed to run mixed economy smoothly?
- ii. What is the aim of mixed economy?
- iii. The industrial policy of 1973 increased the speed of development. Explain.

- Ans**
- i. To run mixed economy, there is a need for coordination between the private sector and the public sector.
 - ii. the aim of mixed economy is to maximizes production and public participation.
 - iii. The industrial policy of 1973 increased the speed of development as Priority was given in this policy to control the influence of heavy industries, industrial families and foreign industries and remove the imbalance in regional development. The government focused on the development of small scale industries and cottage industries.