

# The Indian Experience

Global History 12

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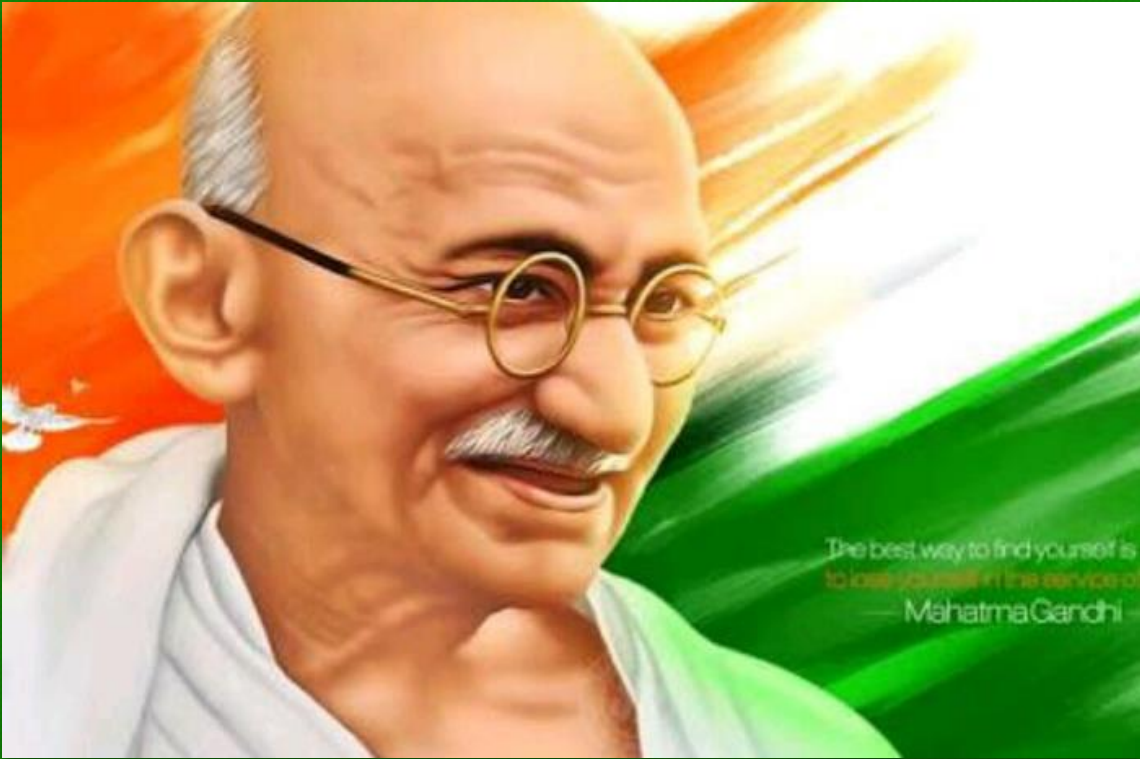
# A Brief History of India Prior to the 1920`s

- British Influence on India began in the early 1600's
- De facto (in principle) governing institution was the British East India Company, before governing authority was transferred to the British Crown in 1858

# A Brief History of India Prior to the 1920`s

- The desire for an autonomous and sovereign (self-governing) India grew amongst its citizens during the early 20th century
- This resulted in the Indian Independence Movement, spearheaded by Mohandas Ghandi following the conclusion of World War I

# Mohandas Gandhi (1869 - 1948)



## Who Exactly was Gandhi?

- An Indian born lawyer, philosopher, and Political Activist
- Practiced Law in South Africa before returning to British-controlled India
- Led the campaign for Indian self-rule



Ghandi, weaving cloth



Ghandi, leading the salt march

## Ghandi pioneered the concept of civil disobedience

The idea of peacefully protesting against injustice was a foreign concept to the world at this time in history; change and progress were typically built on a foundation of violent uprising.

India Earns its Independence on August 15th,  
1947





# The Lengthy Process of Decolonization

- Despite the benefits of independence, the Government of India also had to contend with the negative effects of colonialism; they rightfully inherited the responsibility of governing, and as such inherited the responsibility of solving the nation's problems.
- India was no longer a cog in the wheel of a much larger economy that they had little control over; they were now a nation-state that had a whole country's economy in need of governance; an economy that was not left in a positive state by its previous colonial rulers.
- If India was to catch up to the more developed western nations of the world, it had to carefully control the trajectory (direction) of its economic development

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# The Green Revolution and Economic Liberalisation





# India's Domestic Economic Policy

Following independence, India sought to strengthen its economy through 3 key approaches:

## Import Replacement

- The Indian government encouraged the creation of industries that would produce heavily imported goods domestically

## Diversification

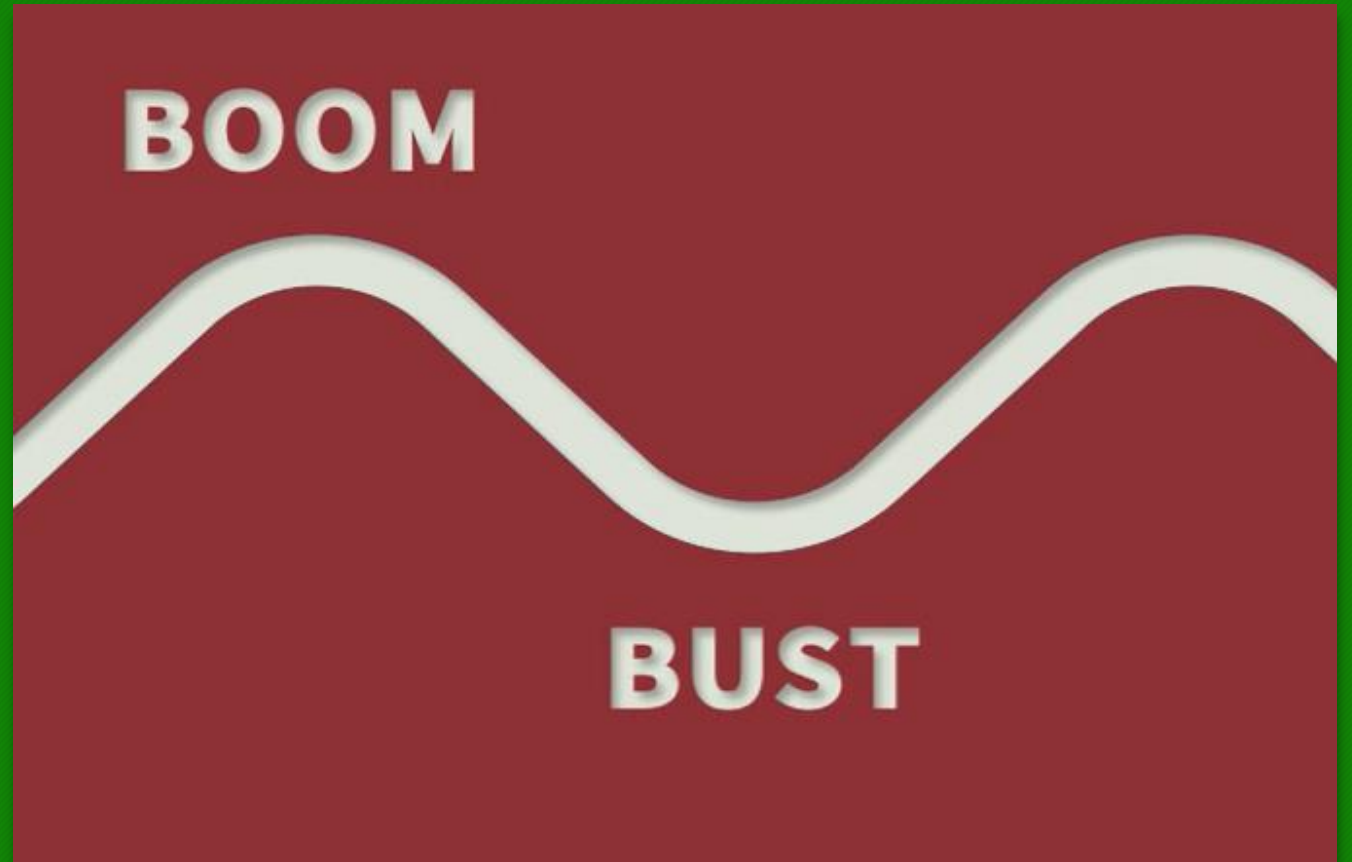
- India's exports previously relied on the agricultural industry
- India developed new industries to produce goods for export, such as refined chemicals

## Strictly Regulating Foreign Investment

- India implemented economic policies that prevented foreign ownership of domestic industries, encouraging the growth and proliferation (spread) of Indian owned companies

# The Green Revolution

- As previously mentioned, India's exports relied heavily on agriculture (cotton, peanuts, tobacco), with profits previously being siphoned offshore to its British Colonial government



# The Green Revolution

- India struggled during the mid-20th century to catch up to other developed economies, and during the bust cycles of the economy, famine was a serious concern
- Utilizing emerging technological developments in agriculture, India overhauled its agricultural industry, employing new herbicides and pesticides, High-Yield seeds, crop-dusting planes, new irrigation techniques
- Experts have debated on whether the industrialization of India's agricultural sector created more financial and social problems than it solved, and the environment took a massive hit
- It still allowed India to produce its own food, instead of relying on imports and foreign aid, which was often used as a tool to influence India's politics

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# Economic Liberalization - What is it?

""Economic liberalization' (or liberalisation) is the lessening of government regulations and restrictions in an economy in exchange for greater participation by private entities'



Wait, didn't India heavily restrict Foreign Investment?

# Economic Liberalization

- India never wanted to scare away foreign investment, it simply wished to stand on its own two feet - However, changes had to be made in order to adapt to the newly globalized world. What was the big change?
- The previous Colonial British government siphoned off most of the wealth - unchecked foreign investment would have the same effect.

## How did India adapt to the changing times?

By reducing restrictions on Foreign Investment, India opened up its enormous market to the global economy, however the terms and conditions remained the same. Capitalists could only access India's emerging market if:

- Their business provided India with new technologies
- Their business allowed India to replace foreign imports
- Their business produced goods for export

India reduced restrictions on Foreign ownership, but these conditions remained in place.

# India - Where are they now?

- India's efforts at managing its economy following independence has proven to be effective - their population is close to overtaking China in number, and is a vast market ripe for investing, or exploiting.
- India's early limits on foreign investment allowed it to develop its own robust industries, preventing the siphoning of wealth to developed nations by multinational corporations as the world economy became globalized

# India - Where are they now?

- Like most developing countries attempting to catch up to the west, environmental regulations, health and safety standards, and protections for the working class were typically ignored in favor of economic growth
- Nevertheless, India has done well at putting itself in the best possible position to compete in the emerging globalized market. As far as the planet is concerned, this may not be a good thing.