UNIT – I

The Indian economy: structure and features

Features · Mixed economy · Resources · Population

Explanatory Lecture Slides

Economic Development of India · Major-4 · Semester III

ECONOMIC DEVELOPMENT OF INDIA

LEARNING OBJECTIVES

Topics covered in this unit

01 **State features of the Indian economy**

02 **Place India as a mixed economy**

03 **Sketch natural resources and occupational structure**

04 **State demographic features**

05 **Distinguish growth and development**

06 **Hook the Constitution’s economic aims**

How this unit is organised

01	02	03	04	05	06
Features	Mixed economy	Resources & occupation	Population	Growth v development	Constitution

Features

Low per-capita income (rising), large primary-sector employment, inequality, a young population, a big unorganised sector, regional imbalance, a now-large services share of GDP.

- Do not write 1950 features for a 2020s paper. Name the dualism: a software-and-stock-market India beside a rain-fed India.
- A 16-mark wants five features, one number-range each if you know it, one statutory/constitutional hook.

Features

OLD

- Agrarian employment.
- Low per-capita.
- Poverty.

NEW

- Services-heavy GDP.
- Digital payments.
- A large internal market.

Mixed economy

Coexistence of public and private sectors; markets plus a planning/indicative State. 1991 moved the mix toward markets; it did not abolish the public sector or PDS.

- Features: private property + public enterprises, economic planning (now NITI), social control of some ‘commanding heights’ historically.
- Merits: incentive plus a floor. Defects: policy uncertainty, soft-budget PSUs, cronyism if regulation is for sale.

Mixed economy

STILL MIXED

- Public banks.
- PDS.
- PSUs.
- MSP.

MORE MARKET

- 1991 LPG.
- Disinvestment.
- Insolvency Code.

Resources and occupation

Land, water, minerals, forests, a long coast. Occupational structure: a slow shift out of agriculture; female labour-force participation is the uncomfortable number.

- Lewis dual-economy: surplus labour in agriculture moving to industry — India’s shift went heavily to services and construction, not only factories.

Resources and occupation

PRIMARY

- Still the largest employer.

TERTIARY

- Largest GDP share.

Population

Size, growth, age-structure (demographic dividend if skilled and employed), urbanisation, sex ratio, density.

- Malthus is the 6-mark of fear; the dividend is the 6-mark of hope. Both need a policy sentence (education, health, jobs).
- Census is a constitutional statutory exercise (Census Act 1948); delimitation and Finance Commission use it.

Population

DIVIDEND

- Working-age bulge — if jobs exist.

RISK

- Unemployment.
- Informality.
- Missing women.

Growth v development

Growth is NI/capita. Development is growth plus health, education, equity, sustainability, freedom (Sen).

- HDI (life, school, GNI) is the examable index. MPI (NITI/Oxford) is the Indian poverty-plus index.
- A country can grow without the poor growing — that is the distribution sentence this paper wants.

Growth v development

GROWTH

- GDP.
- A mean.

DEVELOPMENT

- HDI.
- Jobs.
- Rights that can be used.

Constitutional economic aims

Preamble (socialist, justice), Arts. 38, 39(a)(b)(c), 41, 43, 46, 300A. Not a Five-Year Plan; a justiciable-adjacent map.

- Minerva Mills: DPSPs and rights in harmony. The development paper should quote 39(b)(c) once, not every paragraph.

Constitutional economic aims

MUST

- 38.
- 39(b)(c).

ALSO

- 41.
- 43.
- 300A.

Population

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LANDMARK AUTHORITIES

Cases a KSLU answer should name

CASE

Minerva Mills

(1980) 3 SCC 625

Development goals (DPSPs) cannot be used to erase rights.

CASE

Olga Tellis

(1985) 3 SCC 545

Livelihood — development that evicts without a process fails Art. 21.

CASE

K.T. Plantation

(2011) 9 SCC 1

Art. 300A — development taking property still needs authority of law.

STATUTE / SECTION MAP

Provisions & materials to quote

Preamble	Socialist, justice — social, economic, political.
Art. 38–39	Social order and material resources.
Art. 41 / 43	Work, education, living wage.
Census Act 1948	The count on which planning and finance rest.
Art. 300A	Property as a legal right in a mixed economy.

WRITE IT IN THE HALL

10 / 16-mark frames from this unit

Q1 Explain the features of the Indian economy.

Q2 Is India a mixed economy after 1991? Discuss.

Q3 Distinguish economic growth and economic development. How is development measured?

Q4 Write a note on India’s occupational structure / demographic dividend.

BEFORE YOU CLOSE THE FILE

Unit recap

1. Features: dualism, services-GDP, agrarian jobs, inequality.
2. Mixed: still PDS and public banks, more market since 1991.
3. Growth ≠ development; quote HDI.
4. Dividend is a chance, not a gift.
5. Arts. 38–39 are the constitutional caption of this paper.