

Economic Problems Of India Since INDEPENDENCE

BASIC CHARACTERISTICS OF INDIAN ECONOMY AS DEVELOPING ECONOMY:

India ranks second in the world in terms of population and is the largest democratic country. India has adopted a New Population Policy in 1990-91 which accelerated economic growth rate faster.

Basic characteristics are as follows,

- 1- Pre-dominance of Agriculture.
- 2- High population.
- 3- Underutilized Natural resources.
- 4- Low Human development index.
- 5- Lack of infrastructure facility.
- 6- Capital deficiency.
- 7- Wide spread unemployment.
- 8- Technological backwardness.
- 9- Poor economic organizations.
- 10-Low per capita income.
- 11-Economic backwardness.
- 12-Poverty.

1_ PRE-DOMINANCE OF AGRICULTURE: Agriculture is the main sector of Indian economy which is in total contrast to the economic structure of a developed economy. More than 70 % of the total population is engaged in agricultural activities while the picture is absolutely different in advanced countries.

Unemployment, poverty, low productivity, lack of irrigation facility are the main problems of agriculture.

2_ HIGH POPULATION: Population is a major factor influencing the nature of a country's economy. Over population creates complex economic problems. India is the second largest populated country in the world having population of 238 million in 2001 and 1138 million in 2011. It means 17,64% population has been increased since 2001 to 2011. The population pressure is the result of two forces that is high birth rate and lower death rate. As per 2011 census, India's birth rate was 23 and death rate was 7. High population rate is the main problem that India has been facing since 50 years.