

# Social Science II

## Standard IX

Part - 2



Govt. of Kerala  
Department of General Education

State Council of Educational Research and Training (SCERT), Kerala

2019

## **THE NATIONAL ANTHEM**

Jana-gana-mana-adhinayaka, jaya he  
Bharata-bhagya-vidhata.  
Punjab-Sindh-Gujarat-Maratha  
Dravida-Utkala-Banga  
Vindhya-Himachala-Yamuna-Ganga  
Uchchala-Jaladhi-taranga.  
Tava shubha name jage,  
Tava shubha asisa mage,  
Gahe tava jaya gatha,  
Jana-gana-mangala-dayaka jaya he  
Bharata-bhagya-vidhata.  
Jaya he, jaya he, jaya he,  
Jaya jaya jaya, jaya he!

## **PLEDGE**

India is my country. All Indians are my brothers and sisters. I love my country, and I am proud of its rich and varied heritage. I shall always strive to be worthy of it.

I shall give my parents, teachers and all elders respect, and treat everyone with courtesy.

To my country and my people, I pledge my devotion. In their well-being and prosperity alone lies my happiness.

### **State Council of Educational Research and Training (SCERT)**

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*Dear students,*

*You might have got a colourful picture of the diversity of our earth as you went through the geography chapters from class five to eight. The chapters in class nine and ten are an enquiry into the reasons for such diversity. Such enquiries will lead you to more knowledge and the instinct to take an oath to "protect our earth". The knowledge of the relationship between economics and daily life will help you to live in the present day world. Different aspects of economics are incorporated in the textbook for this purpose. The learning activities relentless enquiries, and critical thinking will help you to open the window of knowledge.*

*The educational portal-Samagra and textbooks with QR code will make class room activities easy and interesting. The Textbook has been revised considering the National Skill Qualifications Frame work (NSQF), the disaster mitigation measures which is of contemporary relevance and ICT possibilities. Let this textbook be a pathfinder for you in becoming good citizens of the future.*

*With love and regards.*

**Dr. J. Prasad**  
Director, SCERT

# CONSTITUTION OF INDIA

## Part IV A

### FUNDAMENTAL DUTIES OF CITIZENS

#### ARTICLE 51 A

*Fundamental Duties- It shall be the duty of every citizen of India:*

- (a) to abide by the Constitution and respect its ideals and institutions, the National Flag and the National Anthem;
- (b) to cherish and follow the noble ideals which inspired our national struggle for freedom;
- (c) to uphold and protect the sovereignty, unity and integrity of India;
- (d) to defend the country and render national service when called upon to do so;
- (e) to promote harmony and the spirit of common brotherhood amongst all the people of India transcending religious, linguistic and regional or sectional diversities; to renounce practices derogatory to the dignity of women;
- (f) to value and preserve the rich heritage of our composite culture;
- (g) to protect and improve the natural environment including forests, lakes, rivers, wild life and to have compassion for living creatures;
- (h) to develop the scientific temper, humanism and the spirit of inquiry and reform;
- (i) to safeguard public property and to abjure violence;
- (j) to strive towards excellence in all spheres of individual and collective activity so that the nation constantly rises to higher levels of endeavour and achievements;
- (k) who is a parent or guardian to provide opportunities for education to his child or, as the case may be, ward between age of six and fourteen years.

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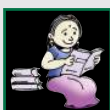
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Certain icons are used in this  
textbook for convenience

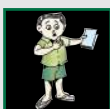
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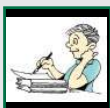
For further reading (Need not be subjected to assessment)



Questions for assessing the progress



Learning activities



Let us assess



Extended activities

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# Economic Growth and Economic Development

We have already discussed economy. Have you noticed the changes that happen in an economy? One of the noticeable changes is the increase in the agricultural output of the country. Likewise, other changes can also be found.

- Growth in construction sector
- Increase in industrial output
- 

The above mentioned changes indicate economic growth.

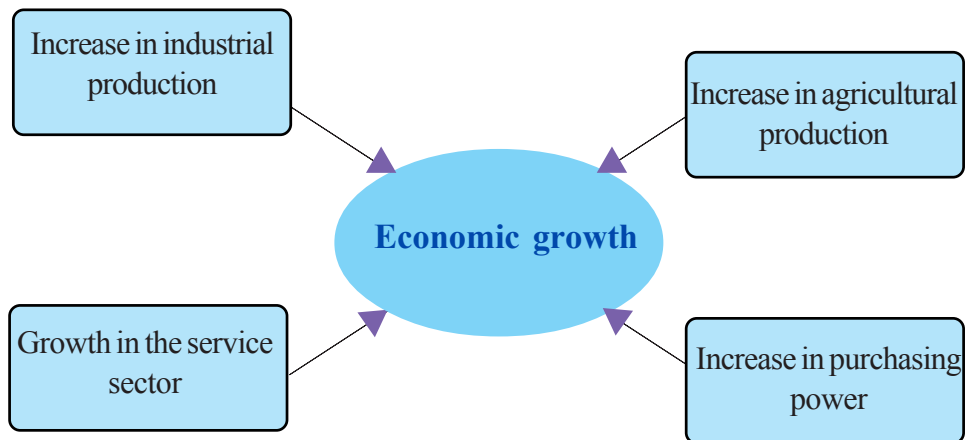
## Economic growth

An increase in the production of goods and services in an economy is called economic growth. Increase in the output of goods and services implies an increase in the national income of a country. In short, economic growth means an increase in the total output of a country compared to that of the previous year.

Let us see an example of economic growth. Assume that the production of paddy during 2016-2017 was 100 quintals. In the



year 2017 -18, the production of paddy increased to 110 quintals. It can be seen that there has been an increase of 10 percent in the production of paddy during 2017-18 compared to the previous year. This indicates economic growth. With economic growth, the country's capacity to fulfil the needs of the people also increases. Let us observe the following chart and understand how economic growth takes place.



It is generally believed that progress in the production sector creates more employment opportunities in a country. The income earned by the workers through employment increases their purchasing power. This improves the standard of living of the workers.



*What changes can be found in an economy as a result of economic growth?*

## Economic growth rate

We have learnt about economic growth. Now, let us see how economic growth can be calculated. A measure called economic growth rate is used for this. Economic growth is calculated on the basis of increase in national income. Economic growth rate is the rate of increase in the national income during the current year as compared to the previous year.



## Economic development

It cannot be claimed that economic growth alone improves the standard of living of the people. For an improvement in the standard of living, several other living conditions should be made available along with an increase in national income. What could they be?

- Availability of nutritious food for all
- Better health care facilities for all
- Educational facilities for all
- Availability of clean water for all
- 

When improved living conditions are available to all, the standard of living of the people improves. Economic development takes place when the standard of living improves with economic growth. A country is said to have attained economic development when there is economic growth, and the benefit of which is accessible to all.

**Economic development = Economic growth + Better standard of living**

*Some statements relating to economic growth and development are given below. Classify them into economic growth and development:*



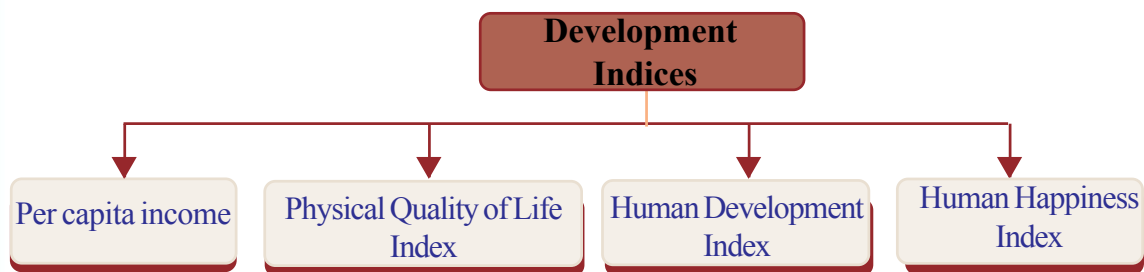
- *National income increased*
- *Production of wheat increased to 150 crore tonnes*
- *National Highways were developed into four lanes*
- *Skill training was provided to the labourers*
- *Implemented modern facilities in the health sector*
- *Basic facilities of educational institutions were improved.*

We have learnt that economic growth and economic development are interrelated concepts. At the same time there are some differences between the two. Some of the differences are given in the following table:

Economic growth	Economic development
<ul style="list-style-type: none"> <li>• Increase in income and production</li> <li>• Measured in terms of increase in national income</li> <li>• Quantitative measure</li> <li>• Emphasis is purely on the economic factors</li> <li>• Growth happens in a short term</li> </ul>	<ul style="list-style-type: none"> <li>• Improvement in the quality of life</li> <li>• Measured in terms of various indices such as Physical Quality of Life Index, Human Development Index, etc.</li> <li>• Qualitative measure</li> <li>• Emphasis on socio - economic factors</li> <li>• Economic development happens over a long period of time</li> </ul>

## Development indices

Countries are classified into developed and developing nations. What is the basis of this classification? How can we identify whether a country has developed? There are certain recognised indices used to measure and assess economic development. Some of the important development indices can be identified from the chart given below:



### Per capita income

Among development indices, per capita income was considered the simplest and was popularly used in the past. This is a conventional index of development. Per capita income is calculated by dividing the national income by population.

As per this index, two aspects must be analysed in order to find out whether a nation has achieved economic development.

- Growth rate of national income
- Population growth rate

Per capita income increases only when the growth rate of national income is more than the population growth rate. Increase in per capita income is an index of development. Per capita income helps in assessing the economic growth of a country as compared to the previous year. It is also useful in comparing the economic growth of different countries. Per capita income as a development index has certain limitations:

- Per capita income is an average income. For example, assume that the per capita income of a country is Rs. 40,000. This does not mean that each individual of the country receives an income of Rs. 40,000. It includes the population earning crores of rupees as well as those with very low income. So, this is merely a numerical calculation.
- While calculating economic development on the basis of per capita income, it cannot be claimed that improvement in the quality of living has been attained if the rich-poor disparity persists.
- Per capita income as a development index ignores factors like education, availability of nutritious food and health care facilities that improve the quality of living.
- Concerned only with economic growth, per capita income as a development index does not take into account social welfare and the equitable distribution of income.

### Physical Quality of Life Index - PQLI

Physical Quality of Life Index came into use in 1979, when an index more scientific than the per capita income was found necessary.

Instead of using per capita income as a single criterion for development, the Physical Quality of Life Index takes into consideration the following three factors:

- Life expectancy
- Infant mortality rate
- Basic literacy

Physical Quality of Life Index views development in a different perspective. For example

- Increase in healthcare facility leads to better standard of living and economic development

- Introduction of new educational facilities improves quality of education and standard of living.

Though the Physical Quality of Life Index is a better measure of economic development than the per capita income, the fact that it ignores per capita income is a major limitation.

### Human Development Index (HDI)

The Human Development Index is based on human development.

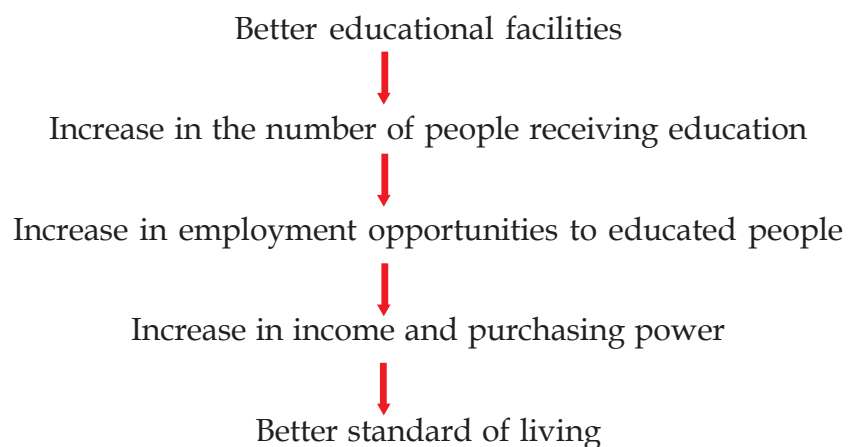
Let us see how human development has been defined by the United Nations Development Programme (UNDP). "Human development is the expansion process of opportunities that helps the people to improve their human resource".

There are various factors that help in attaining human development. Let us see a few:

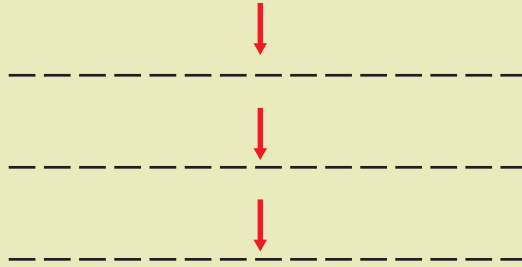
- Improved educational facilities
- Better healthcare facilities
- Increased training

All the above mentioned factors contribute to human development. The attainment of human development helps in economic development.

Let us see a situation:



Complete the following flow chart :  
Establishment of new hospitals



Human Development Index is prepared on the basis of three main components. They are

- Per capita income
- Literacy and gross school enrolment rate
- Life expectancy

The value of Human Development Index lies between 0 and 1. While 0 indicates least development, 1 depicts the highest level of development. On the basis of the values of Human Development Index, countries are classified into three. Observe the table below:

Human Development Index values	Category
0.8 - 1.0	High human development
0.7 - 0.799	High human development
0.550 - 0.699	Medium human development
0.550 and below	Low human development

It is the United Nations Development Programme (UNDP) that prepares and publishes the Human Development Index by classifying the countries on the basis of these values. Every year, since 1990, the UNDP publishes the Human Development Report.



*Human Development Index values of some of the countries in 2014 are as follows. List them under the three categories of human development.*

- |         |         |              |         |
|---------|---------|--------------|---------|
| • India | - 0.624 | • Norway     | - 0.949 |
| • Haiti | - 0.493 | • Sri Lanka  | - 0.766 |
| • Japan | - 0.903 | • Brazil     | - 0.754 |
| • Mali  | - 0.442 | • Bangladesh | - 0.579 |



9K55NN

The Human Poverty Index was developed by the United Nations Organisation (UNO) complementary to the Human Development Index. Its first report was published in 1997. Human Poverty Index is calculated on the basis of three components. They are longevity, knowledge, and a decent standard of living.

### Human Happiness Index

Apart from the above mentioned development indices, the United Nations Organisation has recognised the Human Happiness Index as well. This index was originally developed by Bhutan and was later recognised by the United Nations Organisation (UNO).

Nine indicators are considered for the calculation of Human Happiness Index. They are as follows:

- Health
- Standard of living
- Conservation of nature and biodiversity
- Social life and neighbour relations
- Good governance
- Cultural diversity
- Education
- Effective use of time
- Mental health

India ranks 133 among the world nations, in the Human Happiness Index, 2018. The countries that rank first, second and third are Finland, Norway and Denmark respectively.

## Challenges faced by development in India

Development in India face several challenges. Among them, the most important is poverty. According to the Rangarajan Panel Report prepared for the Planning Commission of India in 2011 - 12, 29.5% of people were poor . Apart from poverty there exist other problems like illiteracy, malnutrition, economic inequality, death by starvation and unemployment in developing and developed countries.

Unemployment is another challenge faced by India. For more than 20 years, the trend seen is that inspite of an economic growth rate of 8-9%, the employment growth rate still remains at 1% or less. This means that economic growth of 8 - 9%, does not create employment opportunities.

Another challenge faced by development is the problem of inequality. There are three types of inequality:

- Economic inequality
- Inequality in income
- Regional inequality

All these types of harsh inequalities prevail in India. Economic inequality is measured on the basis of the share of the people in the total wealth of a country. Inequality in income, on the otherhand is based on the people's share in the income generated in a nation.

Regional inequality is the third type of inequality. For example, majority of the population in metropolitan cities have access to employment, better hospitals, good roads, clean drinking water, transport system, schools, colleges, industries, etc. But certain rural areas in states like Bihar, Uttar Pradesh, and Odisha lack these facilities. In those regions, there exist death by starvation, unemployment, lack of good roads and telecommunication



### Poverty in India

In India, poverty is measured on the basis of calorie intake. In rural areas, if the income is not sufficient to purchase food supplying 2400 calories per day then the person is said to be poor. In urban areas, this is 2100 calories. In India, states such as Uttar Pradesh, Bihar, Uttarakhand, Chattisgarh and Odisha have more than 35 % of population living in poverty.

facilities, etc. Regional inequality signifies such a disparity in development among different regions.

## Sustainable development



We have understood that the main goal of any economy is economic development. As the result of economic development, many changes take place around us. For example,

- Good transportation facilities
- Rapid urbanisation
- Increase in industrial units
- 

It is clear that such changes improve the standard of living of people and economic condition of nations. However, the greed of human beings remains. It leads to over exploitation of resources and degradation of nature. Observe the pictures that depict some ill effects of urbanisation and commercialisation of agriculture.



*Observe the pictures and identify the impact of man's greed on nature. Try to add more.*

In the quest for economic growth, human intervention often results in the depletion of natural resources and degradation of environment. In order to construct buildings and roads, quarries are made and hills are levelled. This adversely affects the human life and local weather conditions. Though these activities lead to economic growth, they create problems for certain sections of the society.

What we require is a humane development approach which does not impact the environment. In other words, we need sustainable development.



The Brundtland Commission appointed by the United Nations Organisation has defined sustainable development as "development which meets the needs of the present without compromising the ability of future generations to meet their own need".

This view ensures social justice while utilising the natural resources.

The essence of this concept is that natural resources are not to be enjoyed by one generation alone. The future generation too has the right to use them. Sustainable development has three main goals.

- Environmental goals
- Economic goals
- Social goals

Observe the environment around you and identify the activities that challenge sustainable development. Add more points to the following list.

- Reclamation of paddy fields
- Intensive use of pesticides
- Polluting and wasting clean water
- 
- 



All the above activities hamper sustainable development. Can you make a few suggestions for economic development that ensure availability of natural resources for future generations as well?

- Rain water harvesting
- 
- 
-



### Let us assess

- Write down the differences between economic growth and economic development.
- Explain in detail, the limitations of per capita income as a development index.
- What are the components of Human Development Index?
- What is sustainable development? Write down a few suggestions to achieve sustainable development.
- What are the challenges faced by modern development initiatives?



### Extended activities

- Prepare a report on the activities that hinder the sustainable development of India with the help of newspaper articles, the internet, etc.
- Identify the factors that hinder the economic development of your locality and suggest remedies.
- Collect newspaper articles and Internet resources related to India's HDI value, ranking and changes in the last 5 years.



## For a Safer Future

What a rain ! Started at dusk and continued till dawn. Clouds rampaged in groups cross the sky. The facade of hills and forests darkened.

The isolated trees that stood atop Brahmagiri grew monstrous. The wind exploded shattering the clouds. Ice pellets showered like pebbles.

The cucumber, pumpkin and other creepers that had started to bloom were all destroyed...

This is the plight of Wayanad. Rain comes as soon as the crops begin to grow. Hailstones ruin everything. Winds also wreak havoc. Not even a single plantain will be left.

The fertile black water, coming from the heart of the forest, flow through the fields and compounds, before merging into Bavali.

- **P Valsala**

*Nellu*

(A translation)

The renowned novelist P Valsala describes Wayanad in these lines.

Cold and misty environment reign along the eastern regions of Kasaragod such as Ellukochi, Rajapuram and Ranipuram; the hilly regions of Kannur such as Iritty, Peravoor and Aralam; and places such as Kattappana, Nedumkandam, and Udumbanchola in Idukki. These places are home to large scale cultivation of tea and spice crops.

Apart from climate, topography, soil, agriculture, plants and animals, man is also a part of the environment.

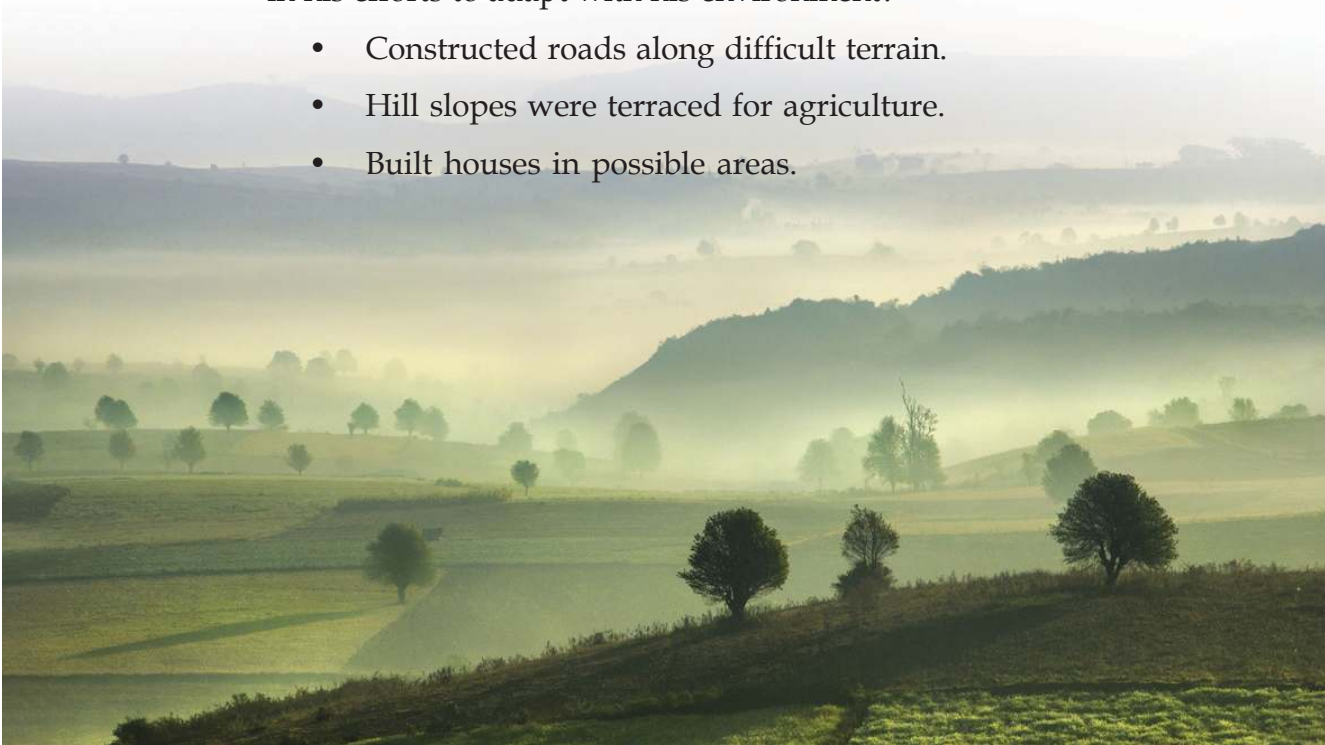
You have learnt that environment includes all living and non-living elements in the nature.

How far has the environment influenced the human life in the above places?

- Provides cool climate
- Determines the crops that can be cultivated

The tale of the people who cleared the jungles, fought the wild animals and diseases such as malaria, and reaped golden harvests is really exciting. What activities has man undertaken in his efforts to adapt with his environment?

- Constructed roads along difficult terrain.
- Hill slopes were terraced for agriculture.
- Built houses in possible areas.



## Diversities in environment

Is the environment the same all over the earth? Look at the following pictures.

How is the human life in the deserts where dusty winds blow continuously? The style of dressing of the people of the Arabian deserts have close relation with the climate of that region. As water is scarce, agriculture is generally poor. Yet the region is densely populated and is quite prosperous as well. This is due to the rich petroleum deposits. Have you heard of places situated below sea level? Our Kuttanad (Fig.7.2) is an example for this.



Fig. 7.1



Fig. 7.2

Such topography is very rare even in the world. People living amidst the backwaters and other water logged areas have reclaimed the land through immense toil. This lifestyle is centred on duck farming, paddy and coconut cultivation, etc.



Fig. 7.3

Today, tourism has also become an important activity in the life of these people.

Didn't you see the picture (Fig. 7.3) of the snow-covered Siberian region? Limited resources and hostile climate are the factors that prevent human habitation here. Yet people live there. These examples might have convinced you that people set their life in accordance with the environment.

But over-exploitation and unscientific interventions will cause imbalances in nature.



Given below are a few questions related to the resource utilization in the above-mentioned environments. Record your inferences on them.

- What if the petroleum in the Arabian region gets exhausted due to over-exploitation?
- The delicate balance of the environment in Kuttanad is on the verge of destruction. What will be the possible consequences?
- What are the measures adopted by the people of Siberia for their life?

## Environmental protection : What? Why?

Man is just one among the numerous organisms on earth. No other organism on earth depends on other organisms so much for its sustenance. The plants and animals in the environment provide us food, clothing, shelter, medicine, fuel, etc. Like air and water, soil is also important for survival. You have already learnt about ecosystem and food chain. Man is the last link in the continuous process of evolution in nature. The interventions of man in nature with selfish motives will have adverse effects. Interaction in nature without disturbing its diversity is an important aspect in the conservation of the environment. Conservation of the environment and its diversity is a must for the healthy sustenance of not only man but all life forms as well.

## Gentle stroke and severe strike

The march of seasons is astonishing. Thunder and lightning that convoy the rainy season, snow fall at some places... where wind blows continuously-from a light breeze to cyclones that destroy everything. Landslide occurs in the hilly terrain during rainy seasons; and flood in the lowlands. Natural phenomena turn destructive at times. Natural phenomena that are hazardous to life, property and environment are known as natural hazards. The names of a few natural phenomena are listed on the board. Identify natural hazards from the list.



## When natural phenomena turn hazardous

Look at Fig.7.4

The pictures feature two places with landslide possibility. In which of these places will it be a disaster in the event of a landslide? Why?

Many a time natural hazards do not affect humans.

They become disasters when they turn out dangerous to mankind. If an iceberg breaks in Antarctica or an earthquake occurs in an uninhabited desert, it will not be considered as a disaster, however much be the severity. But if such a phenomenon occurs in a populated valley, it will become a disaster.

Disasters occurring due to natural causes are termed as natural disasters.

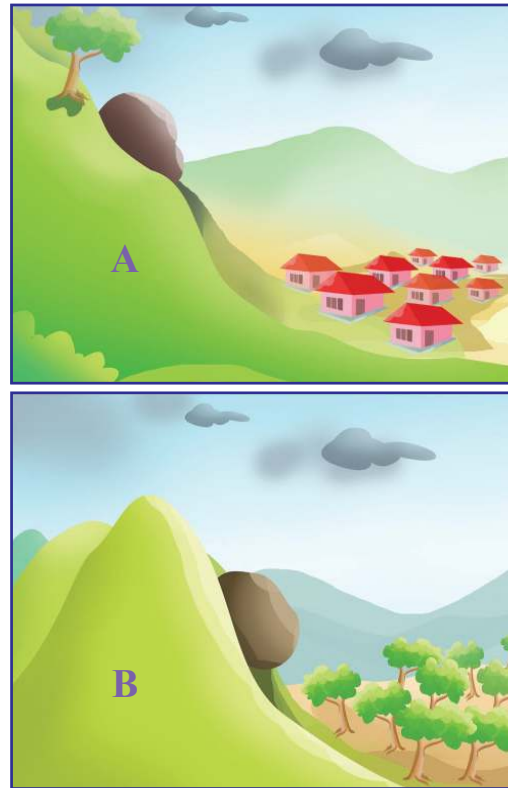


Fig. 7.4

## Natural disasters in India

In India several people are either killed or seriously wounded in natural disasters every year.

How will be the life of those who get seriously wounded in these natural disasters? The following is the list of the natural disasters occurring in India.

- Cyclone
- Earthquake
- Landslide
- Hailstorm
- Drought
- 
- Lightning
- Tsunami
- Flood
- Avalanche
- Frostbite

*Ministry of Home Affairs, Govt. of India*

## Possibilities of natural disasters in Kerala

Don't you remember the physiography of Kerala you learnt in the previous classes? Expanse of backwaters bordered by the slanting coconut trees..... lush green midland... cool mountain slopes in the east. The scenic beauty of Kerala is world famous. However, at times the beautiful, charming visage of our land turn wild when natural calamities cause extensive damage. Kerala is one of the states prone to natural calamities.



*Identify the natural disasters that wreck havoc in Kerala.*

- *Identify the most widespread natural disaster in Kerala.*
- *Which physiographic unit in Kerala experiences landslides the most? Why? Record your inferences in the class room discussion based on the following indicators.*
  - *Topography*
  - *Rainfall*

## Disasters that pour in

Landslides are the most threatening disasters in Kerala. Some



Fig. 7.5

places in the eastern hilly regions face the threat of landslides as the monsoon clouds accumulate over Kerala. Occasionally, the midlands also experience landslides along slopes during this season.

Look at Fig. 7.5.

It depicts the recent landslide at Pulloorampara in Kozhikode district.



What information could you gather from this picture?

- 
- 

"All were in deep sleep. Were woken up by an ear shattering noise. By then it was all over.... Myself and a wall alone were left behind. Everything was washed out... dear and near... all.. forever."

What you read is the experience of a landslide survivor. In fact all landslides speak of the sufferings of many such people.

National Centre for Earth Science Studies has identified that places with slope above  $20^\circ$  are prone to landslides.

### What is landslide?

During severe rains, large quantity of water seeps into the soil. This exerts pressure on the pores in the soil. Due to the pressure of water, the soil under the loose rocks will move downwards. Due to gravity, the whole or part of the area will collapse with great noise. This phenomenon is known as landslide. Following this, the water that is stored in the soil starts flowing down as streams. Many a time this flow will last only for a few days. But on some occasions these may become permanent streams. Many of the streams in hilly terrains are formed in this manner. The valleys formed by the continuous erosion by streams will grow in area in course of time. The scientific world believes that such formation of streams is a part of the landform evolution.

The landslide that occurred at Pulloorampara in Kozhikode was bigger than the one that occurred at Amboori in Thiruvananthapuram. While seven people died at Pulloorampara, 39 lost their lives at Amboori. Population density in the hilly regions is a factor determining the intensity of the disaster.





Fig. 7.6

Many a time the unscientific interventions of man are identified as the case occurrence for landslides.

Look at the pictures (Fig.7.6).

These pictures feature the transformation of a place over a period of fifty years.



*What changes could you identify in this region?*

- *The population increased*
- 
- 

Activities of man such as deforestation and unscientific activities along hill slopes weaken the slopes.

What are the unscientific activities along hilly terrains?

- Demolishing hillsides for soil.
- Cultivation of crops that need frequent tillage along steep slopes.
- Construction of houses and other buildings along steep slopes.



Such activities of man aggravate the chances for landslides. Lack of space is one of the crucial problems that Kerala faces. Besides more than 30% of the total land area of Kerala consists of slopes also.

Hence it is very essential that land utilization should be scientific.

## Scientific land use practices

- Hill sides may be transformed into terraces in order to reduce the slope.
- The course of the natural streams in the hilly terrain should not be blocked.
- Construction activities along steep slopes should be avoided.



*25 April 2015. Time 11.41 IST. Majority of the people of Barpak village were engaged in their work; some in the basmathi fields, some in the tea plantations, and a few in the workshops of the streets ... everyone was busy on a warm day that came after month-long cold.*

*Suddenly, without any warning, the whole surface of the earth shivered. The buildings shook violently like ships in tempest, then collapsed like a house of cards. Bridges collapsed and electric posts toppled. Even the century old buildings were not spared.*

What you read is about an earthquake and the havoc it caused. There were 40 aftershocks within 24 hours of this incident. By that time, the places within 200 kilometre radius of the city of Kathmandu were severely damaged. The earth scientists identified that the focus of this earthquake which took the death toll to over 10000 was 30 kilometres below the meeting point of the latitude 28°15' North and longitude 84°7' East.

*Locate the above focus with the help of an atlas.*



The picture (Fig.7.7) shows the quake shattered Nepal.

You have read the description of the Nepal earthquake. Each earthquake speaks of the sufferings of several people.

You remember what you have learnt about earthquakes, earthquake-prone regions, and the reasons behind it. Try to recollect them.



Fig. 7.7

## The disaster intensity of earthquakes in India

Observe the map showing the intensity of earthquake disaster in India (Fig.7.8).

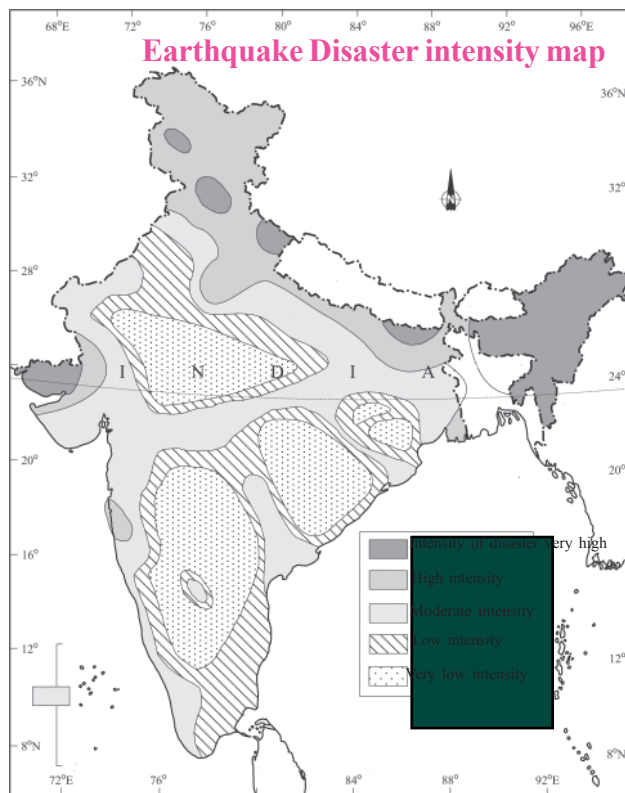


Fig. 7.8

Source : NCERT Textbook Class XI

Answer the following questions by referring the map.



- Identify the states/ regions that come under very high intensity earthquake disaster zone.
- How intense is earthquake disaster in Kerala?
- Identify the states/regions with least earthquake disaster intensity.

## Earthquake disaster intensity in Kerala

The map shows that Kerala also is not free from earthquake disaster. Kerala is considered as a region with moderate earthquake disaster intensity based on the recent increase in the number of disasters associated with earthquakes.

It means that we need to be cautious. The construction of large buildings in seismically active zones should be avoided.

## Precautions

It is impossible to prevent earthquakes. But the severity of the havoc can be reduced by scientific measures. Observe the picture (fig.7.7). The heavy damage is due to the fact that the buildings could not withstand the impact of earthquake. Most people die or get severely injured by the collapsing buildings. Hence,

- Adopt seismic resistant construction.
- Light roofs are comparatively safe.
- 

## The flood hazard

Kerala is home to 44 rivers that originate from the slopes of the Sahyadri. They flood for a

## To ensure stability



Many died in the Latur earthquake; several were injured. Majority of this happened due to the collapse of buildings. But in Japan where earthquakes are frequent, such accidents are comparatively less. They follow quake-resistant construction practices for buildings.

Shouldn't we concentrate on the strength of our houses instead of their beautification?



## Flood: A few old documents

The earliest known records of flood that was believed to have occurred in Kerala is that of C.E.371, Flood occurred following the earthquake of C.E.1341 along the Kerala coast as well. Greek scholar Pliny(Sr.) has recorded this event in his book 'Natural History'.

The memories of a flood that still remain in the minds of the eldest surviving generation in Kerala is that of 99; that is, Malayalam Era 1099. As per the English calendar it is C.E.1924.





### **Massive flood 2018**

*The massive flood occurred in Kerala in 2018 August caused widespread damage to life and property. Unexpected severe rainfall was the cause for the flood. About ten districts like Alappuzha, Pathanathitta, Idukki, Ernakulam, Kottayam etc., were severely affected by the flood. The devastating effect of the flood was controlled by the timely interference of the different wings of defence, voluntary organisations, fishermen etc., under the leadership of the Government of Kerala. It was the success of the unity among the Keralites found in distress relief operations.*



few days during the rainy season. When a large quantity of water flow into the rivers during the rainy season, the river will not be able to hold the excess water and it overflows. This is known as flood. Floods occur in the Himalayan rivers especially in the Brahmaputra valley. This is due to the fact that the catchment areas of these rivers generally receive heavy rainfall. Floods occur not only in the valleys but in the hilly terrain as well. The phenomenon of sudden rise of water level following heavy rain is known as flash flood. The recent flood in Uttarakhand is an example. This phenomenon occurs in deserts also owing to the rare rains.



*Collect news and pictures of flood.*

### **To avoid the threat of flood**

The following precautions may be adopted in order to avert the danger of flood.

- Do not build houses on the river banks.
- Do not reclaim the paddy fields. They are the natural sinks for rain water.
- Construct bunds on the river banks.



*Prepare posters explaining the measures to mitigate the possibility of natural disasters and exhibit them in public places.*

### **Disaster management- mitigation measures**

It is impossible to prevent natural disasters. But we can reduce their impact and bring the people back to normal life through properly planned interventions. Such actions can generally be called disaster mitigation measures.

## Let us tackle the natural disasters

The flow chart lists on the various steps to be followed in the event of natural disasters.

### Flood

- People residing along river banks should move to higher grounds as fast as they can.
- Do not step into rivers in torrent.
- Disconnect electricity if water enters your home.

### Landslide

- Settle down in areas away from steeper slopes
- Be more cautious during the rainy seasons

### Lightning

- Disconnect electricity.
- Sit on wooden planks or wooden cot without touching the ground.
- If outside, sit with chin on your knee.
- Move away from isolated trees.

### Tsunami

- Move away from the coast if you notice anything strange happening in the sea or get some warning in this regard.
- Keep life-jacket or inflated tube with you.

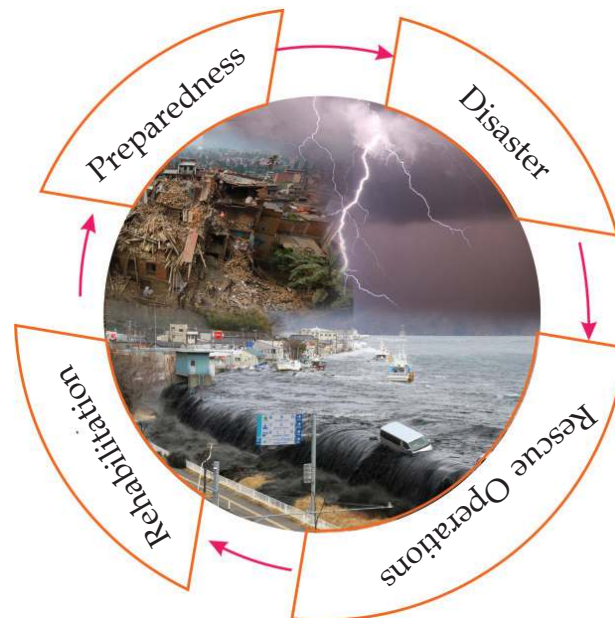
### Earthquake

- Move away from buildings or hoardings that may fall.
- As there are chances of aftershocks do not return home until formal directions are received.
- Open spaces are safe.
- Do not use lifts.
- The inner corners are the safer areas inside the house.
- Keep away from windows.

### General measures

- Provide immediate medical aid to the injured.
- Do not believe or spread rumours.
- Keep only precious items or documents along with you.
- Drink boiled water only.
- Keep the necessary medicines with you.
-

There are mainly three stages for disaster mitigation measures. The following flowchart explains these.



### Role of children in disaster management

Won't you help the elders in rescue operations in the event of a disaster in your locality?

You can take up several activities that would be helpful to the nation and society.

A few among these are:

- Prepare and circulate pamphlets and exhibit notices in public places explaining the steps to be adopted by the people in emergency situations.
- Organize orientation programmes on scientific landuse practices.
- 

### Let's find out the safe spots

What you see (Fig.7.10) is a sketch of safe areas prepared by the students in connection with the disaster management activities in a school. We need to ensure our safety in the event of natural hazards such as earthquake, landslide, etc. otherwise



these may turn into disasters. For that the safe spots of the school have to be identified in advance. Areas away from the buildings preferably the middle of the play ground will be the safest. This is because of the fact that even if the building collapses the debris might not fall here. Decide the path for ambulances and other rescue vehicles to the school campus. Do not make any modification in the campus obstructing this. The safe spots may be marked clearly for everyone's knowledge. Mock drills to tackle disaster situations may be carried out at intervals.

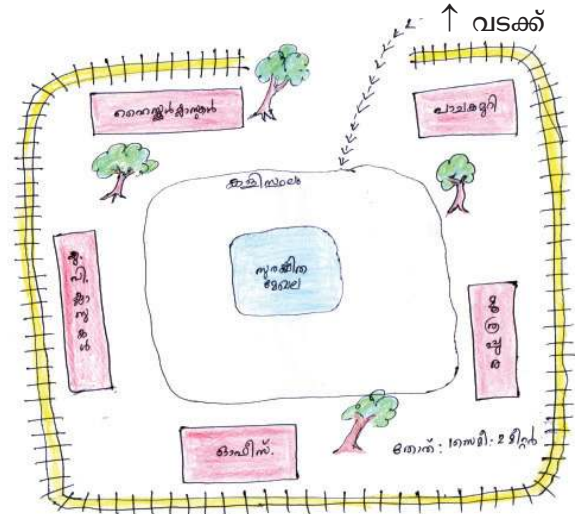


Fig. 7.10

## Government mechanism for disaster management

The Kerala State Disaster Management Authority (KSDMA) is entrusted with the task of coordinating the disaster mitigation measures in Kerala. Under the authority, the State Emergency Operations Centre (SEOC) supervises the disaster mitigation measures in the various districts. It issues warnings of disaster possibility and measures to be adopted in the event of emergency situations. District Emergency Operations Centre (DEOC) is responsible for the disaster management activities of a particular region. Warnings to people are issued through these centres. Their mission is to coordinate the actions of various government departments such as health, law and order, fire force, and public works in disaster management activities. Visit the web site [www.sdma.kerala.gov.in](http://www.sdma.kerala.gov.in) for more information.



## Towards a safer tomorrow

Man is the last link in the 4.5 crore year long history of events on earth. Fresh air, pure water, wealth of soil, and lush greenery are available to us because the organisms that lived before have saved them for us. If we try to grab these solely

for ourselves, severe will be the loss. It is our duty to conserve these natural resources not only for us but for the generations of multitude of organisms that are yet to come.



### Let us assess

- What precautionary measures are to be adopted in the event of a flood?
- What are the general steps to be adopted in the event of natural disasters?

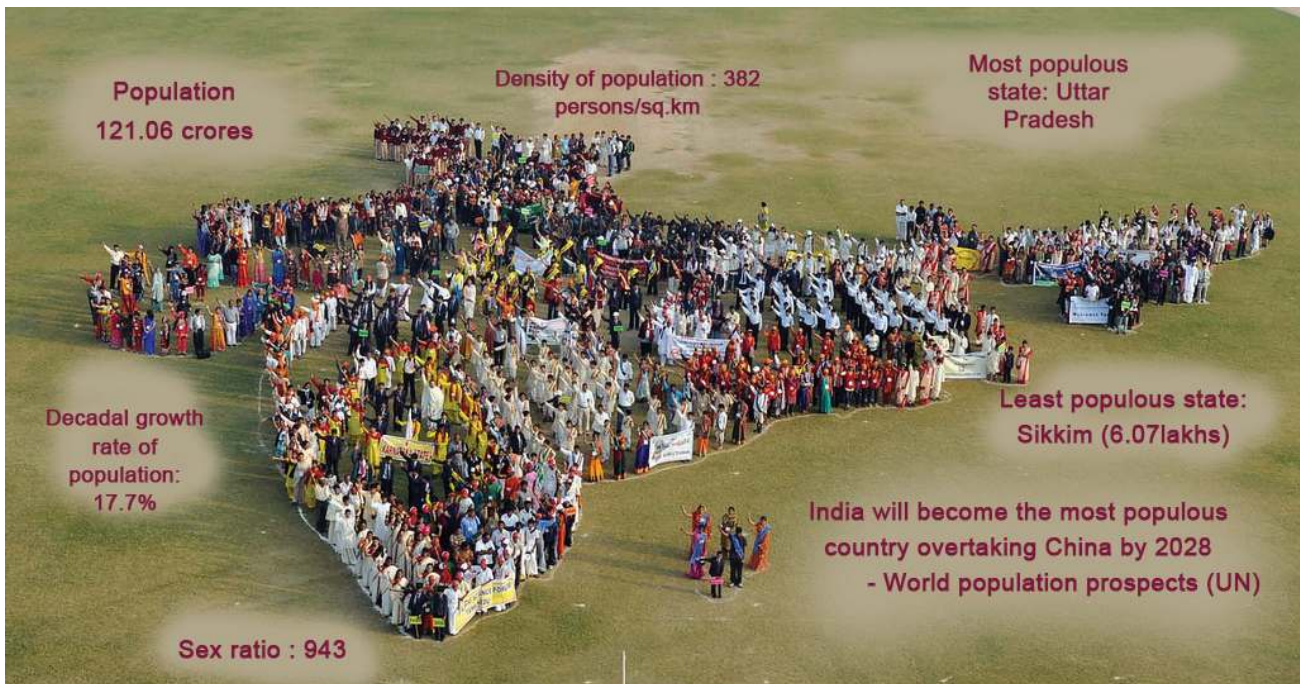


### Extended activities

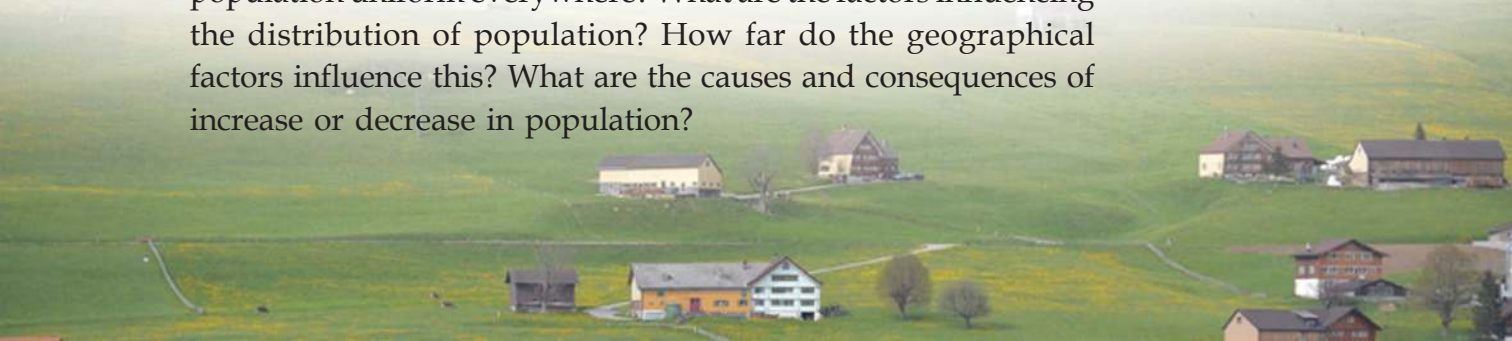
- Prepare charts and pamphlets explaining scientific landuse practices. Exhibit these in public places.



# Population, Migration, Settlements



Haven't you noticed the information regarding the population of India as per 2011 census? What is population? What is the significance of studying information regarding population? Is population uniform everywhere? What are the factors influencing the distribution of population? How far do the geographical factors influence this? What are the causes and consequences of increase or decrease in population?



Population statistics are highly significant in resource planning and resource utilisation of a country. We can understand it by finding the answers to the above questions. Let us go through this chapter for the same.

The number of people dwelling at a place during a particular period of time is called population. A country is known by its people. This is because it is the people who productively utilise the country's resources and formulate policies. Thus the human resource is the real wealth of nations.

Human welfare is the basis for development. Food, cloth, shelter, employment, and other basic amenities are to be ensured for this purpose. Efficient planning of developmental activities by proper utilisation of available resources is possible only by analysing the population related information of the country.



List the areas that require analysis of population related information.

- For planning the food grain production
- To generate employment opportunities
- 



Is an uncontrolled increase in population beneficial for the development of a country? Why?

## Distribution of population

Look at the map (Fig 8.1) showing the distribution of population in India. Can you distinguish the regions having high concentration of population and very low concentration of population from this?



- *Which are the states having high population?*
- *Which are the states with very low population?*

Let us compare the population map of India with the map showing the physical divisions of India.

- Population is largely concentrated in the northern plains of India. Why?

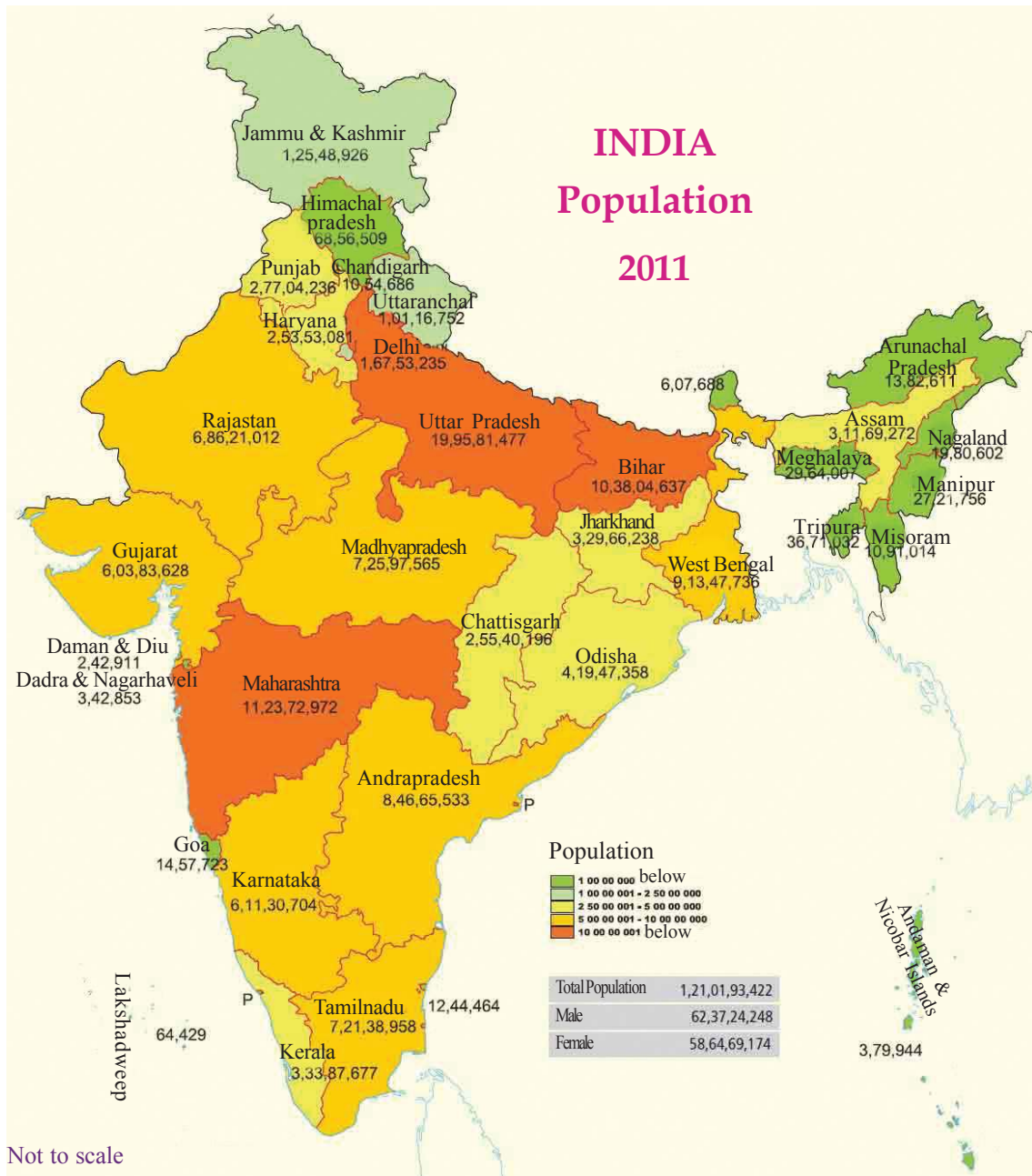


Fig. 8.1

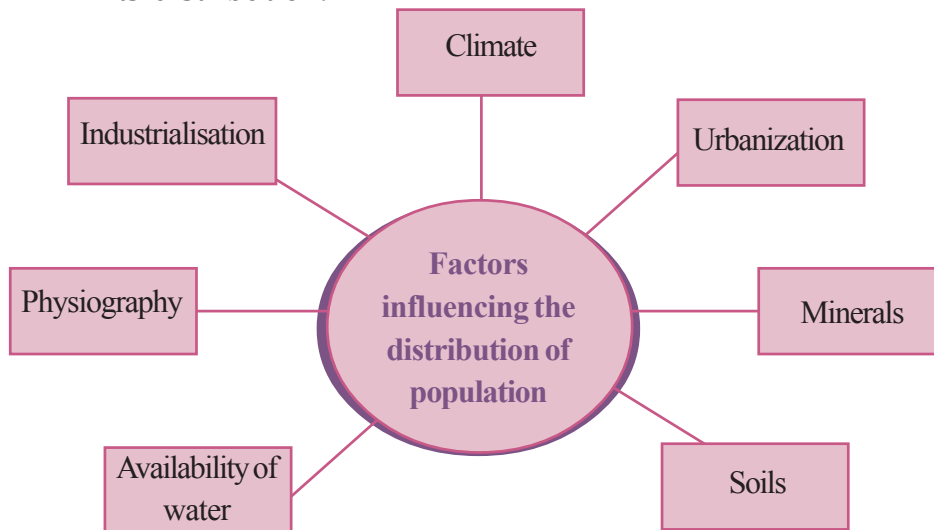
Source : India Census 2011

- Throughout the peninsular plateau the population is moderate. This is because of the lack of conditions favouring agriculture as well as inaccessibility. But mining, mineral based industries etc., make some regions of the peninsular plateau populous. The development in transport and communication has also accelerated this.



What is the pattern of population in the mountainous states?  
Why?

Now you might have understood the influence of physiography in the distribution of population. See what all factors influence its distribution.



*Discuss and make notes on how each of the above mentioned factors influences the distribution of population.*

The total land area of India is 3.28 million square kilometres. That is about 2.5% of the total land area of the world. But India accommodates 17.5% of the total population of the world. From this it can be estimated that 328 people occupy each square kilometre area of land. This is the density of population of India. The average population of every square kilometre is called as density of population. Density of population can be calculated by dividing the total population by the total land area.

$$\text{Density of population} = \frac{\text{Total population}}{\text{Total land area}}$$



The density of population of China is less than that of India, even though China is the most populous country. Why?

India stands third in population density after Bangladesh and Japan. There is wide regional variation in the density of population within India. As per the census 2011, Arunachal Pradesh with just 17 persons per square kilometre is the least

densely populated and Delhi with 11297 persons per square kilometre is the most densely populated. Among states Bihar (1102) is the most densely populated.

What may be the cause of high density of population in Delhi?



Observe the map (Fig 8.2) and get to know the state-wise population density in India.

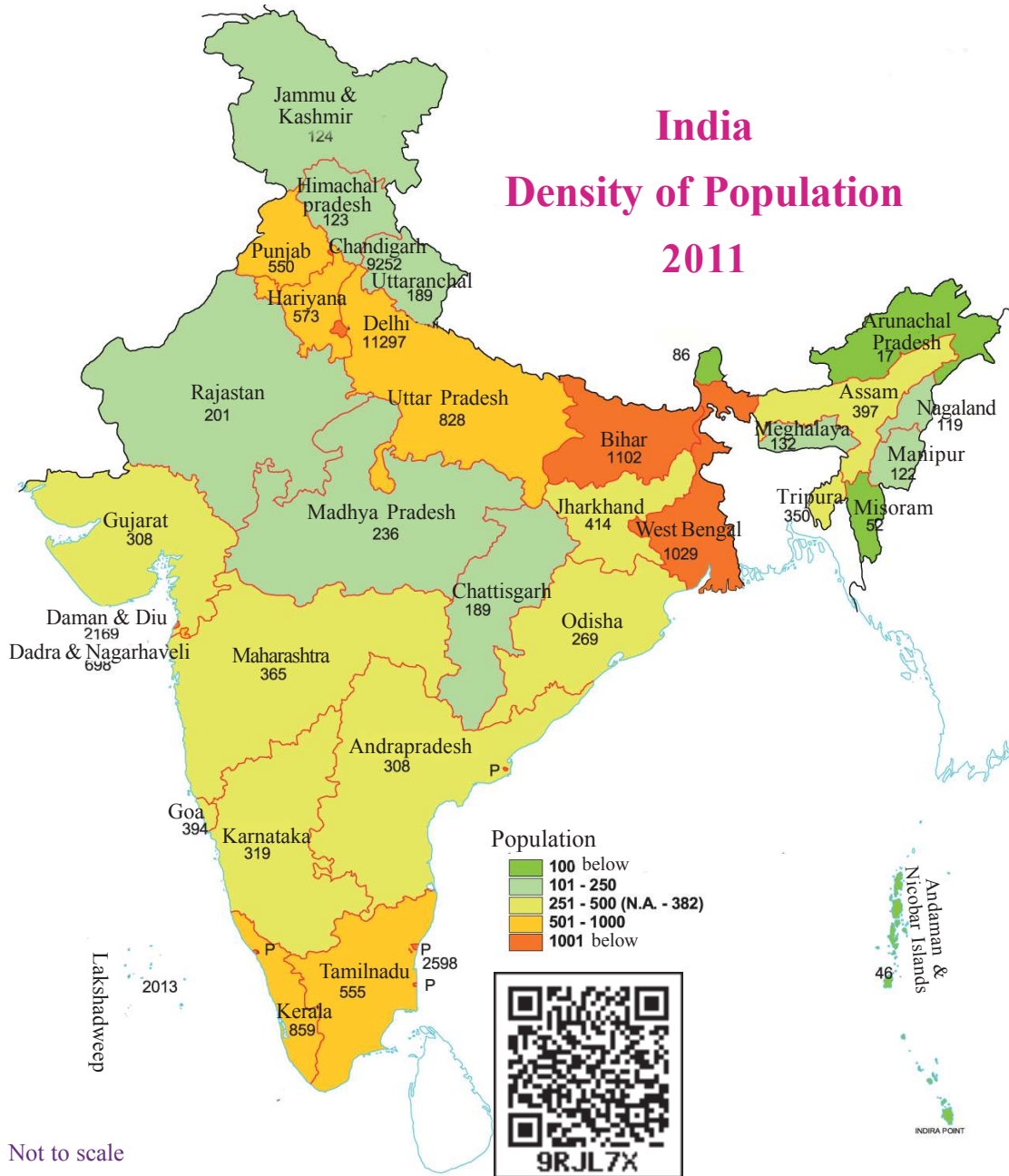


Fig. 8.2

(Source : India Census 2011)

Classify the states in India based on population density in the given format.



Density of population	Category	States
Less than 100	Very low density	
101 to 250	Low density	
251 to 500	Moderate density	
501 to 1000	High density	
Above 1000	Very high density	

Haven't you understood that the density of population is different in different states?



- What is the density of population in Kerala as per Census 2011?
- What is the rank of Kerala among the states with regard to population density is considered?

The high density of population in certain places is mainly due to factors like level topography, moderate climate, fertile soil favouring agriculture are availability of fresh water, etc. Other than these, the increasing employment opportunities in the mineral rich and industrial regions and also the attractive infrastructure and services provided by urban areas also cause high density of population in such regions. Now you might have understood the cause for imbalance in population density and also the significant influence of geographical factors on the same.

Let us see how the population of a place vary.

## Population growth

Population growth is the change in population of any particular place over a particular period. This is usually assessed in percentage. The decadal growth rate of population in India is 17.7%.

This means that there has been a population increase of 17.7% in 2011 compared to the population of 2001. Such a change in



population is called positive growth of population.

There are situations where the population of a place declines. This is termed as negative growth of population.

See the causes for change in population.

- Birth rate
- Death rate
- Migration

Birth and death rates are the natural causes that influence population change. High birth rate and low death rate may cause an increase in population. An increase in death rate also causes a fall in population.

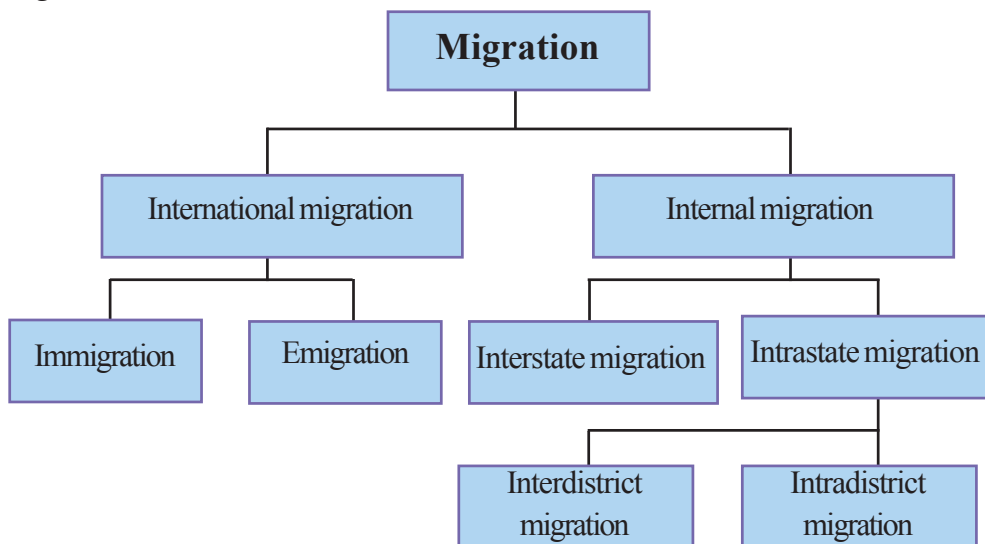
What may happen if the birth and death rates of a country are equal?



Migration is a major factor influencing population change in modern times.

## Migration

Permanent or temporary shifting of residence of people from one place to another is called migration. The different levels of migration are shown in the flow chart.



Migration across international boundaries is called international migration. The inward movement of people to a country is called immigration and the outward migration of people from one country to another is called emigration.



Fig.8.3

Keralites working abroad is the best example for international migrants. (Fig 8.3)

There are three international airports in Kerala. What might be the reason for so many airports in this small state?



Migrations within the country are called internal migrations and are done mainly for employment opportunities. People tend to migrate to places within the country for better employment and wages.



Fig. (8.4) labourers from other states

Recent spurt in the number of North Indian labourers in the construction sector of Kerala is an example for such migrations. (Fig 8.4)

What may be the cause for this large scale migration of people to Kerala?



This kind of migration from one state to another is termed as interstate migration.

Migration of people within the state due to various reasons is termed as intrastate migration. Migrations across the district boundaries can be called inter district migrations.

Large scale migration of farmers to Malabar from Central Travancore in the first half of the 20<sup>th</sup> century can be cited as an example for inter district migration. The migrations within a district caused by marriage, education, etc. can be called intra district migrations.

All the above discussed migrations may take place in four major ways.

- Rural to rural migration
- Rural to urban migration
- Urban to urban migration
- Urban to rural migration

*Discuss and find out more examples for various types of migrations.*



### Why do people migrate?

You know that a large number of people from our state have migrated to foreign countries as well as to urban regions within India. Such migrations are mainly due to employment opportunities in the developed regions of the world. The employment opportunities created by widespread mining of petroleum in the west Asian countries during the second half of the 20<sup>th</sup> century is the major attraction for migrants to the Gulf region.

*Find out the pull factors other than employment opportunities that cause migration.*



- Higher education facilities

### Rushing migrants to Europe

*Tel Aviv: 10th September 2015*

Europe is witnessing waves of immigration of the kind which has never occurred before. Thousands have reached Europe in the recent days. This movement is to escape the fierce civil war in Syria.



Haven't you seen the news clipping? Thousands in search of a secure life are migrating to Europe following the civil war in Syria. This is a push factor for migration.



*Find out the other push factors causing migrations.*

- Resource scarcity
- Political unrest
- 
- Unemployment
- Natural calamities
- 

The migrations caused by pull factors of certain regions are called voluntary migrations. The migrations provoked by push factors are called forced migrations.

### Consequences of migration

The reorganisation of human resource takes place through migration. This may cause crucial changes in the social, cultural, and economic sectors of both the source regions and destination of the migrants.

Look at the effects of migration.

- Helps in the sharing of human resource
- Helps in the flow of foreign currency to the parent country
- Leads to overpopulation in certain regions
- Causes scarcity of resources
- Facilitates exchange of technology
- Creates more employment opportunities
- Weakens social ties among people
- Causes the formation of slums
- Causes spread of communicable diseases
- Gets opportunities for higher education
- Causes imbalances in the sex ratio
- Country loses the service of the educated and the youth
- Result in exploitation of resources.
- Increases the intensity of environment pollution

Discuss in class and classify the above mentioned consequences of migrations into positive and negative in the given format. You can add more.



Positive consequences	Negative consequences
• • •	• • •

### Work sheet

A few major migrations are mentioned in the table. Put a tick mark (✓) in the appropriate columns by identifying the types of migration you have familiarized.

Migrations	International migration	Internal migration	Forced migration	Voluntary migration
• Migration of Europeans to India	✓			✓
• Migration of farmers to Malabar from central Travancore				
• Migration of labourers from other states to Kerala				
• Migrations to India following the civil war in Srilanka				
• Migration of IT experts from the cities of Kerala to Bengaluru				
• Migration of Keralites to Gulf countries				
• Migration following marriages in Kerala				
• Migrations following the civil war in Syria				
• Rehabilitation of people from Tsunami affected regions in India				

## Settlements



It is estimated that man started agricultural practices about 12000 years back. As a result habitats started to emerge near the farmlands.

Later, different types of human habitats developed due to various human activities and migrations. The clusters of permanent or temporary human habitats of different sizes are termed settlements.



**Is the distribution pattern of settlements the same everywhere?**

List the major factors considered for the location of settlements.

- Favourable climate
- Availability of water
- 
- 

Human settlements can be classified into two types based on population as well as their major economic activity.

- Rural settlements
- Urban settlements

### Rural settlements

Places with comparatively low population where the people largely depend on agriculture for their livelihood is called rural settlements. Houses are usually constructed using locally available raw materials.

#### Types of rural settlements



*Fig. 8.5 Nucleated settlements*

Based on their distribution pattern, there are two types of rural settlements.

Look at the pictures (Fig 8.5 and 8.6). What difference can you notice in spacing of habitats? In places with favourable conditions, houses are seen in close vicinity of each other. Such places of human habitation are called nucleated settlements (Fig. 8.5). This kind of settlement is formed

in the fertile river valley plains. Well - knit social relationships and identical nature of employment are the characteristics of such settlements.

The settlements where houses are located farther apart as seen in Fig.8.6 are called dispersed settlement. Undulating topography and other unfavourable conditions result in the people living in isolation. In such settlements the people are brought together by places of worship, markets etc.



Fig. 8.6 *Dispersed settlements*

**Does your home belong to nucleated settlement or dispersed settlement?**



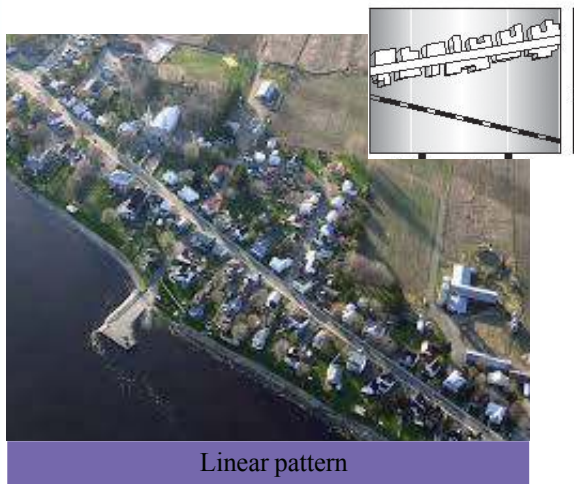
There are some places where the settlements are neither fully nucleated nor dispersed. Such settlements are called semi-clustered settlements.

Due to high population and lack of space it is difficult to distinguish the rural settlements in Kerala as mentioned above.

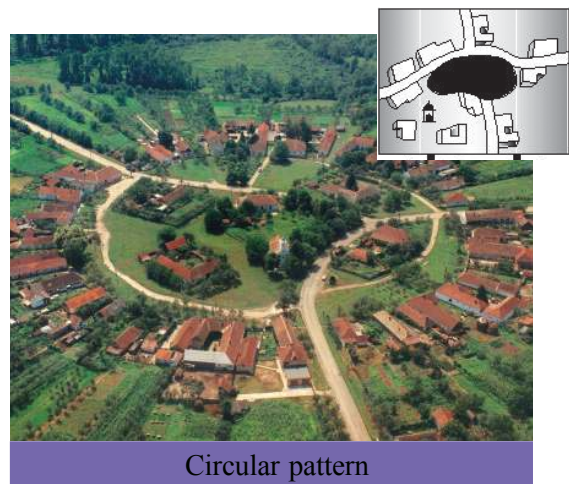
### **Patterns of rural settlements**

Based on the favourable factors such as accessibility, availability of water etc. nucleated settlements take different shapes. Different patterns can be seen by aerial observation of a group of settlements. Observe the pictures (Fig 8.7) to understand a few such patterns.

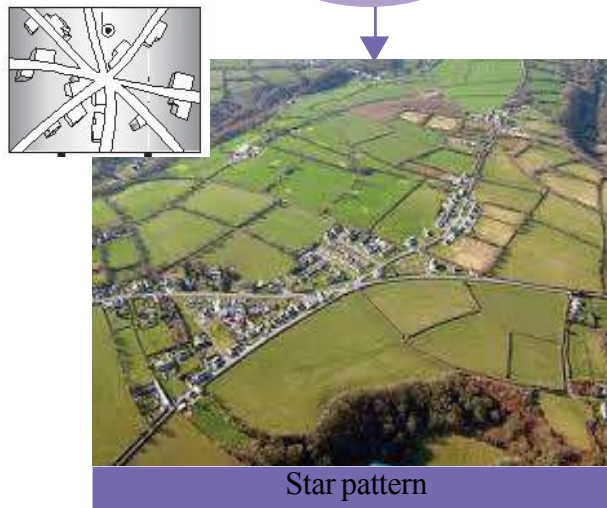
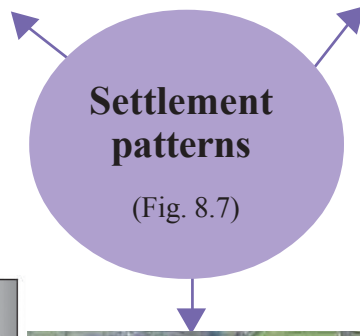
Based on the situations, rural settlements may also develop in shapes such as rectangular, triangular, etc.



- Settlement pattern that develops parallel to features such as roads, rivers, coastlines, etc.



- Settlement pattern that develops around features such as water bodies, pastures, places of worship, etc.



- Settlement pattern that develops at places where different roads converge

**Urban settlement**

The settlements that generally have a high population which is



mostly dependent on non-agricultural sectors are called urban settlements. Urban settlements are mostly nucleated settlements. The economic and cultural characteristics of urban settlements are entirely different from that of rural regions.

The transition of population from rural agrarian economy to urban industrial and service sector economy is termed as urbanisation. The urban population is ever increasing through urbanisation.

The urban population of India is 31.16% as per the 2011 census. The proportion of urban population is different in different states of India. Goa with 62.17% urban population is the most urbanised state and Himachal Pradesh with 10.04% is the least urbanised state. The urban population of Kerala is 47.72%. The urban population of Delhi, the national capital territory is 97.50%. The urban population is generally high in the union territories.

In India, a settlement is designated as urban based on the following criteria:

- Population above 5000.
- Density of population above 400 per square kilometre.
- 75% or more of the population should be engaged in non agricultural activities.

In addition, urban administrative headquarters like municipalities and corporations, and military cantonments are also designated as urban irrespective of other criteria.

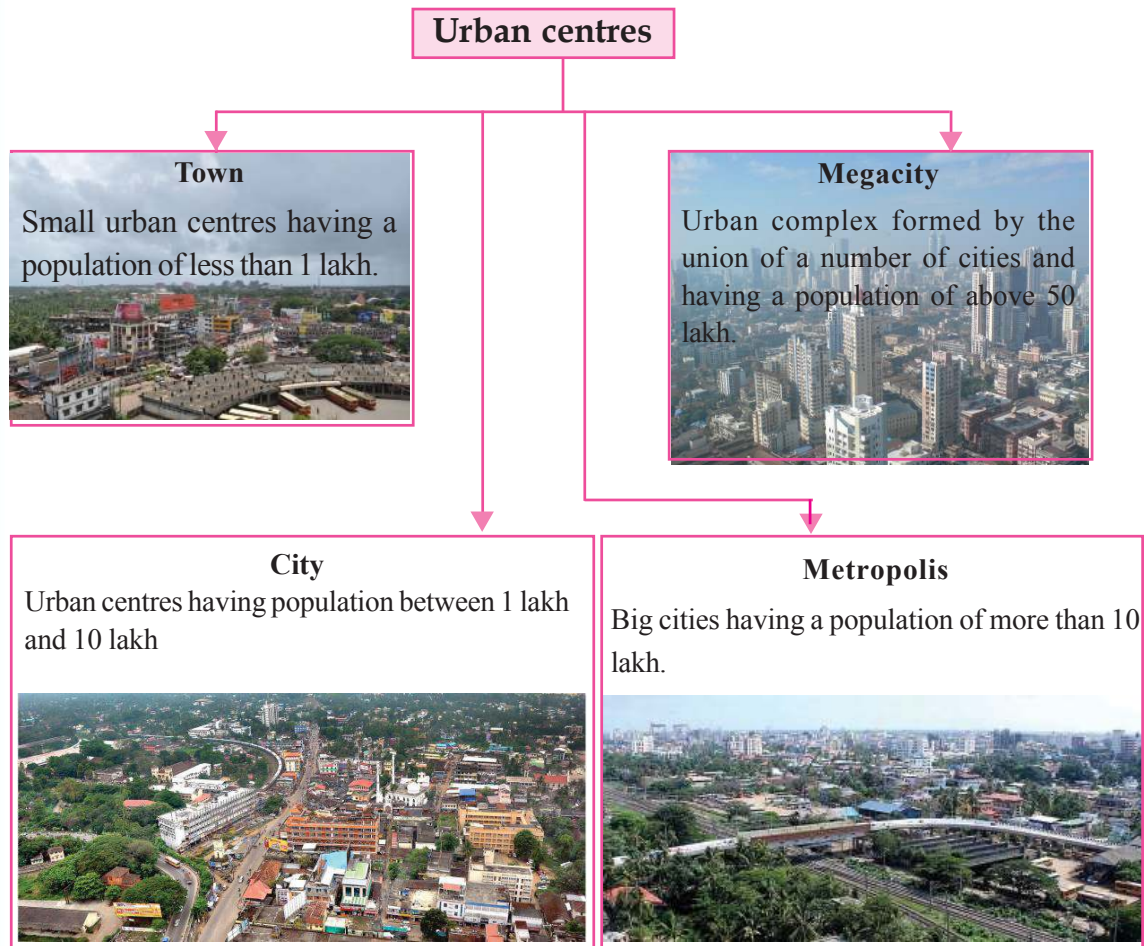
### Classification of urban centres based on population

The urban centres of India are classified in to six types based on population. Observe the table to understand them.

Urban class	Population
Class I town	Above 1 lakh
Class II town	50000 to 1 lakh
Class III town	20000 to 50000
Class IV town	10000 to 20000
Class V town	5000 to 10000
Class VI town	Below 5000

(Source : Census 2001)

Based on the size of population, urban centres are known by different names.



Observe the given map (Fig 8.8) and identify the metropolitan cities in India. Which among them can be designated as mega cities? Arrange the mega cities in the hierarchy of the size of population.



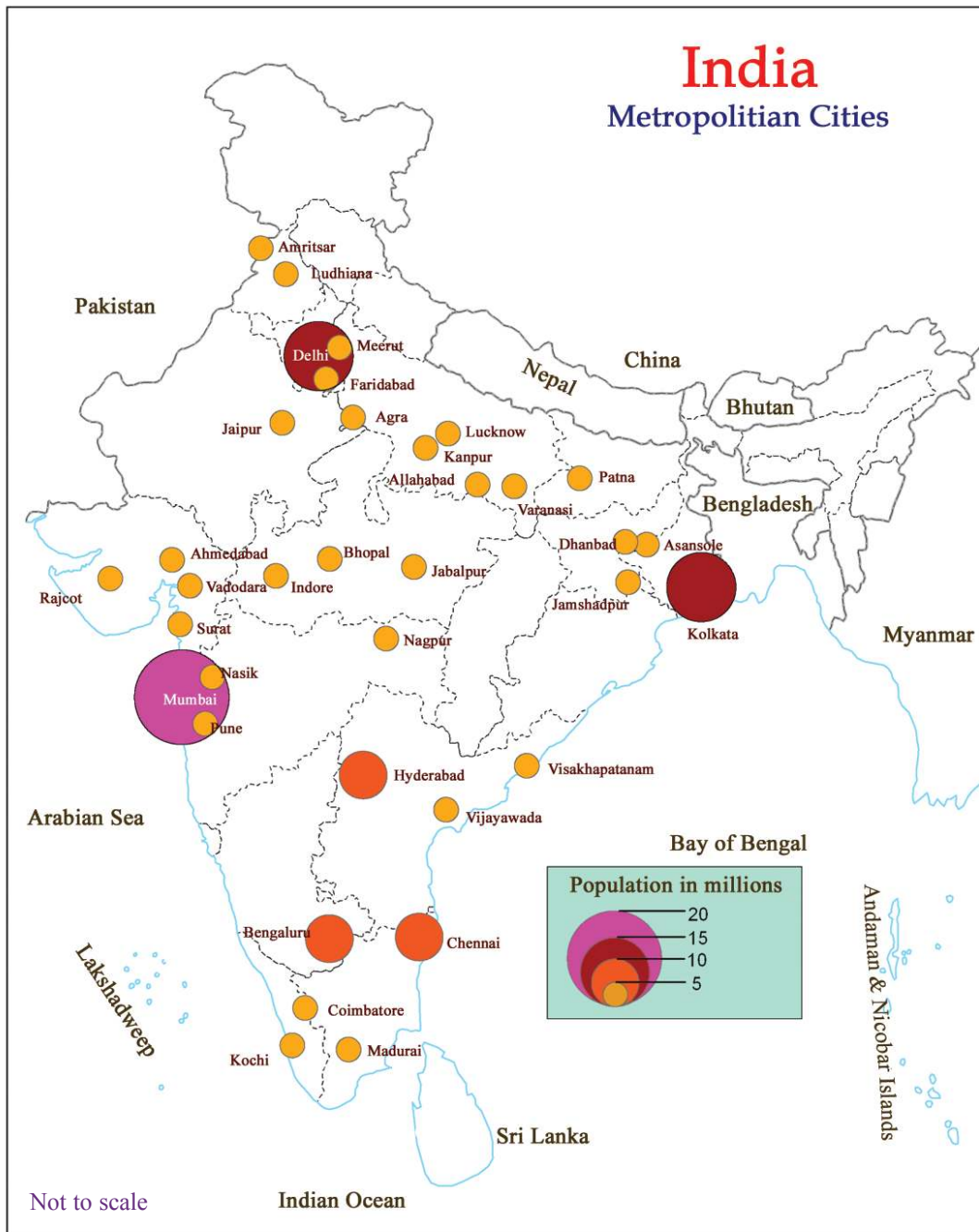
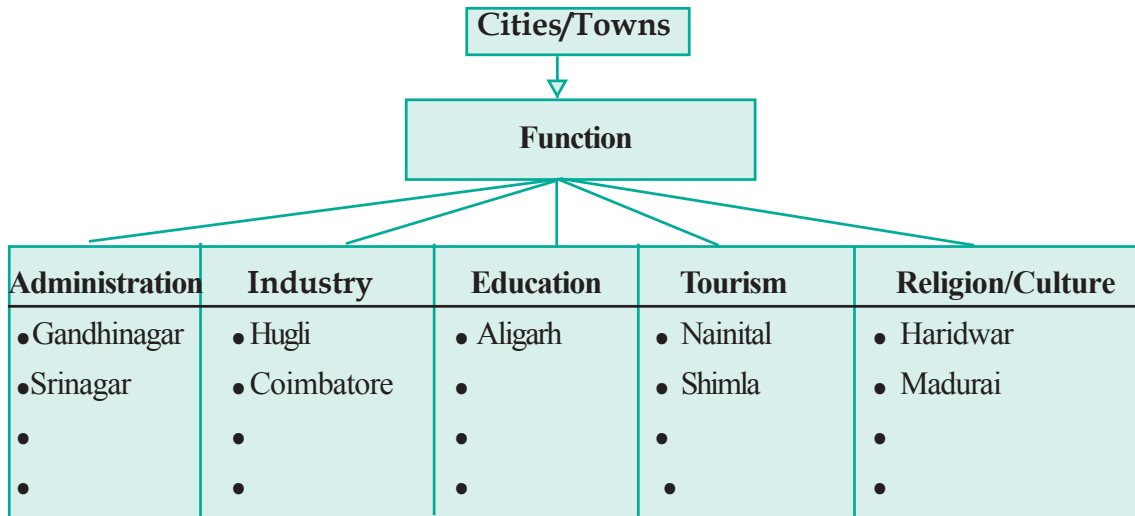


Fig. 8.8

### Classification of urban centres based on functions

Urban centres can also be classified based on their major functions. Identify the different categories of towns in India from the given table and write more examples for each category after discussing in the class.



### Problems faced by urban centres



There has been a manifold increase in the migration from rural to urban areas. The population of big cities is more than what they can provide. Urbanisation causes various problems. Let us examine them.

Look at the pictures (Fig. 8.9) that depict a few problems faced by the urban areas. Find out more problems of this kind and add to the list.

- Slums
- Traffic problems
- Pollution
- 

The rate of urbanisation is very rapid in developing countries including India. You might have understood the problems of urbanisation. Can't we control these problems at least to some extent? Suggest remedial measures.

Fig. 8.9

- Urban planning
- Waste management
- 

*Prepare a seminar paper on 'The problems faced by urban settlements and their remedial measures' and present in it the class.*



Now you might have understood the significance of population data. Human development can be made possible only by sustaining the harmonious relationship between man and nature.



### Let us assess

- 'Physiography has decisive influence in the distribution of population'. Substantiate the statement based on the distribution of population in India.
- Elaborate with examples the causes for voluntary migrations.
- Classify the following cities based on their dominant functions.
  - Thiruvananthapuram
  - Varanasi
  - Hugli
  - Madurai
  - Coimbatore
  - New Delhi



### Extended activities

- Conduct a poster exhibition by collecting pictures related to the problems faced by urban centres.
- Analyse the Census 2011 report and prepare graphs, maps, and tables of various aspects of population.

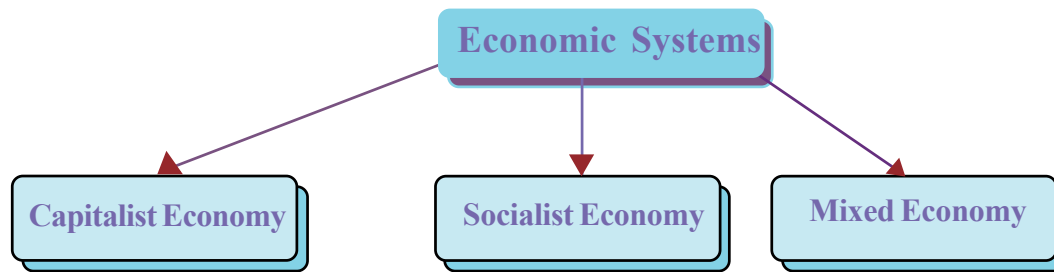


# Economic Systems and Economic Policies



The above pictures represent land, factory, transport, technology, etc. which are the means by which goods and services are produced and distributed. Have you ever thought about the ownership of these means of production? It differs from country to country. In some countries, the

ownership lies primarily with private individuals. In some other countries, it lies primarily with the public sector. There are also countries where the ownership lies with both the private and public sectors. On the basis of the ownership of means of production such as land, capital, raw materials, etc., economic systems can be classified into three.



Let us analyse the features of these economic systems.

## Capitalist economy

Capitalist economy is the economy in which the ownership of means of production is with private individuals who work with the motive of making profits. Other features of capitalist economy are as follows:

- Freedom for the entrepreneurs to produce any commodity
- Right to private property
- Profit motive
- Transfer of wealth to legal heir
- Free market with no control over price
- Consumers sovereignty
- Competition among entrepreneurs to sell products

There is very little government intervention in the economic activities in a capitalist economy. The main functions of the nation are to maintain law and order and to defend the country from foreign invasion. Such nations are known as 'police state'.

We have learnt about the basic problems of an economy in the previous classes. It is through price mechanism that the basic problems in a capitalist economy such as what to produce, how to produce and for whom to produce are solved.

When the price of goods and services increase, the producers will have a tendency to make profit through an increase in production. But as price increases, demand falls and thus the producers will have to reduce the production. Likewise, as the price of goods and services fall, producers try to reduce the output. But with a fall in price, demand increases and this will induce the producers to increase the production.

Thus, the rise and fall in the price influence the producers and consumers and consequently control the availability of goods and services. This is called price mechanism.



*Find out examples for producers increasing production as a result of rise in price and reducing production as a result of fall in price.*

Many features of the capitalist economy create certain problems as well. For example, the transfer of property to legal heirs and the right to ownership of private property result in the accumulation of wealth in the hands of a few. This results in increased the economic disparity in the society.



*Prepare a note on the advantages and disadvantages of capitalist economy.*

We have now understood that capitalist economy has certain drawbacks. The socialist economy came into existence in order to overcome these drawbacks.

## Socialist economy

Socialist economy is an economic system in which the means of production are owned by the public sector. This economic system works on centralised planning. Let us analyse other features of a socialist economy:

- Activities aimed at social welfare
- Absence of private entrepreneur
- Absence of private ownership of wealth and transfer of wealth to legal heir
- Economic equality



It is through planning that the basic problems of an economy are solved by the socialist economy. Planning regarding what to produce, how to produce, and for whom to produce is done to ensure social welfare. Goods and services are produced and distributed accordingly. The amount of goods and services required for the society is calculated and production is done accordingly. Price mechanism does not have any role in the socialist economy as the price is pre-determined.

The socialist economy is also not free from drawbacks. The public sector's investment potential is less and this affects economic growth adversely. In the absence of private ownership of wealth and transfer of wealth to the legal heir, people are less likely to work hard. Moreover, the consumers have only a limited choice of products.

*Make a note comparing the features of the capitalist and the socialist and economies.*



## Mixed economy

Mixed economy is the economy that has certain features of both the capitalist economy and socialist economy. India has adopted mixed economy. Let us analyse some of the features of a mixed economy.

- Existence of both private and public sectors.
- Economy works on the principle of planning
- Importance to welfare activities
- Existence of both freedom of private ownership of wealth and economic control

*In a mixed economy the features of both the capitalist and the socialist economies are included. Substantiate.*



Pure form of capitalist or socialist economies cannot be seen anywhere today. There is government intervention in capitalist economies like those in the United Kingdom and the United States of America. Private ownership of wealth and freedom of market have been permitted in socialist countries like China and Cuba.

That is, we can say that certain changes are taking place in the economic policies of every nation.

## Changing economic policies

Currently, the private sector is encouraged in almost all countries in order to achieve economic growth. Governments are willing to take certain measures to welcome private entrepreneurs and to attract foreign investors. As a result of such economic policies, there has been a large scale transfer of capital, goods and services, and technical know how across the border. Various new products are made available in the market. For example, earlier, only a few models of cars were available in the Indian market. But now the market is flooded with varieties of models from different companies. Identify other examples through discussion.



Though India used to maintain a strong public sector and controlled foreign trade, of late, the economic policies have undergone a change. Measures to attract foreign capital and to strengthen foreign trade have been taken. The measures which started officially in 1991, resulted in liberalisation, privatisation, and globalisation. Let us analyse each one of them.

## Liberalisation

Liberalisation implies the relaxation of government control and influence over the economic activities in a country. The process of liberalisation was started in India in 1985. Mentioned below are the changes that were brought about as a result of liberalisation.

- Relaxation of control in setting up industries
- Reduction of import tariff and tax
- Changes in foreign exchange rules

- Abolition of market control
- Permission of foreign investment in many sectors
- Reduced the role of government in the basic industries and basic infrastructure development.

Apart from this, government intervention in some sectors has declined as a part of liberalisation. This has resulted in an increased significance of the private sector.

## Privatisation

In India, many public sector enterprises have been privatised since 1991. Maruti Udyog Limited, Modern Food Industries Limited, etc. are examples of enterprises that have been privatised. The shares of many public sector enterprises were sold off. In India, privatisation of public sector enterprises and trading of their shares are handled by the Department of Disinvestments under the Ministry of Finance.

The private sector has been given access to several areas which were earlier under the control of the government. The presence of the private sector can be actively felt in roads, electricity, communication, basic industries, etc. The working of private sector can be seen through methods like BOT and PPP. Privatisation strengthened as a result of many new sectors being brought into the market.



### Foreign currency crisis

Every country has a reserve of foreign currency. Foreign currencies such as American Dollars, Euro, and Pound required for international trade are maintained as reserve fund. Generally, foreign currency reserves sufficient to carry out the trade for about ten to twelve weeks are maintained by every country. However, in 1991, India's foreign currency reserve was sufficient only for two weeks. The Government of India tried to overcome this crisis by attracting foreign capital, accepting foreign loan, and strengthening foreign trade.



### BOT (Build Operate and Transfer)

The private sector initiates the construction of infrastructure such as roads, bridges, etc and then reclaims the investment through tolls which are later transferred to the government.

### PPP (Public Private Partnership)

Certain undertakings are initiated under the partnership of both private and public sectors. The profit is shared proportion to the amount invested. Example: Cochin International Airport Limited (CIAL)



A tollbooth on the National Highway



Cochin International Airport

Have you seen the toll being collected from vehicles travelling along the main roads? Who collects them and why?

## Globalisation

As a part of liberalisation, the measures to remove the controls on foreign capital investment attracted foreign entrepreneurs. As a result of this, the influx of capital increased worldwide. Free trade agreement on reduction of import tariff and taxes among nations made imports and exports easy. Globally, there has been an increase in the free flow of labour and transfer of technology. Subsequently, all the goods and services of all countries have become available in all markets. It has to a situation where world has

become a single market. Market friendly economic policies led to better relations among countries.

Thus, globalisation is the economic integration and interdependence of nations as a result of free flow of capital, labour, goods and services, and exchange of technology irrespective of boundaries.

Towards the end of the twentieth century, developments in computer, mobile phones, Internet, etc helped in improved communication. Container ships, flights, bullet trains, etc. contributed to the fast means of transportation. These changes helped globalisation.



### Foreign capital investment

It is the investment of the capital of one country in another country's land, company, share, bond, bank deposits, etc.



Even when globalisation strengthened, many developing countries could not enjoy its benefits owing to insufficient capital and technology. As a result, the governments of such countries were willing to reduce their control to a large extent so as to attract foreign capital investment. The new economic policies which completely disregard government control are known as neo liberalisation. International financial institutions such as the World Bank and the International Monetary Fund (IMF) play a significant role in enforcing globalisation policies. The growth of multinational companies and the formation of the World Trade Organisation has strengthened globalisation.

## World Trade Organisation (WTO)

Efforts were made to find ways to do away with the restrictions in the world trade. These efforts strengthened with the establishment of the World Trade Organisation headquartered in Geneva on 1 January 1995. India is one of the founding members of WTO. There are 161 member nations in the World Trade Organisation according to April 2015 data.



WORLD TRADE  
ORGANIZATION



The emblem of the World Trade Organisation



### World Bank and IMF

The World Bank and IMF were established as a result of the decision taken at the Brettonwoods conference in 1944. The headquarters of these institutions are at Washington. Countries facing economic crisis approach these institutions for availing assistance. For availing the loans, the countries have to agree and implement the conditions put forth by the World Bank and IMF. These conditionalities also strengthen globalisation.



### Patent

Rights granted for the protection of the invention of new technology, products, and production methods for a specific period is termed patent.

All the controls in the global trade were removed after the establishment of the World Trade Organisation. Main guidelines of the trade agreements formed through the WTO are as follows:

- Phase by phase reduction of import duty.
- Reduction of subsidies
- Modification of patent laws
- Permitting foreign investment in service sectors such as media, telecommunication, banking, insurance, etc.
- Extention of the consideration given to domestic investments to foreign investments.

These policies strengthened liberalisation and globalisation.

## Multinational companies

Multinational companies are those companies registered in the home country but operating in many countries. These companies with high technology and huge capital viewed neo liberalisation as an opportunity. Instead of producing goods in a country and exporting it to other countries, the multinational companies have invested their capital in developing countries so that the raw materials, labour, and markets available there can be used in their favour.

It can be seen that the turnover of some multinational companies are more than the national income of certain small developing countries. The multinational companies are also able to make changes favourable to them in the domestic policies and laws of a country.



*How are multinational companies different from other companies?  
Discuss and prepare a note.*

Multinational companies mostly start their production by merging with or acquiring domestic companies. By doing so, they pool their products into the market by utilising the production and

distribution mechanisms of the domestic companies. In return, the domestic companies, receive huge capital and high technical know how. There is another method by which these multinational companies control production. Multinational companies hand over the production to small scale entrepreneurs. The goods and services produced by the latter are sold under the brand name of the multinational companies. For example, the production of clothes, sandals, sports equipments, etc. The multinational companies also resort to assembling various parts of a product produced in different countries. Manufacturing of vehicles is done in this method.

Made in Thailand	Made in China	Made in India
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*Do you think that the products with the tags mentioned above are actually produced entirely in the said country? Discuss and make note with the help of the hints given below.*

- Capital
- Raw materials
- Technology
- Assembly
- Organiser

The concept of neo liberalisation led to the growth of marketisation.

## Marketisation

As a result of new economic policies, the market has now become free, extensive, and strong. Government control over the market is declining. Many new sectors such as basic infrastructure development, basic industries, banking, insurance, etc. have come under the scope of the market. Many firms which were under the ownership of the government have been privatised and become a part of the market. It has led to a situation where everything is available in the market and where things are available only in the market. This tendency is called marketisation. Profit is the ultimate goal of marketisation.

## Arguments for and against new economic policies

There have been many arguments for and against new economic policies. Let us take a look at them.

**Arguments in favour of new economic policies**

- Availability of wide varieties of products in the market
- Ability to use the most advanced technology
- Fall in price due to increased competition
- Increase in exports
- Entry of companies into foreign trade
- More employment opportunities due to establishment of new enterprises.
- Increase in national income

**Arguments against new economic policies**

- Increase in economic disparity
- Excess exploitation of natural resource
- Import leads to fall in price of domestic products
- Government loses control over economic system
- Job security declines
- Future income loss of the government due to privatisation of public sector firms



*Prepare a note on "Market now and then" by consulting the elders.*

*Hints - Wants, product variety, price range, foreign products.*





### Let us assess

- Why is the capitalist economy known as market economy?
- Planning is the main feature of the socialist economy. Explain.
- Today, purely capitalist and socialist economies cannot be found in the world. Substantiate.
- List the actions taken by the Government of India as a part of liberalisation
- Make a note on the working of multinational companies
- Do you support globalisation policies? Why?



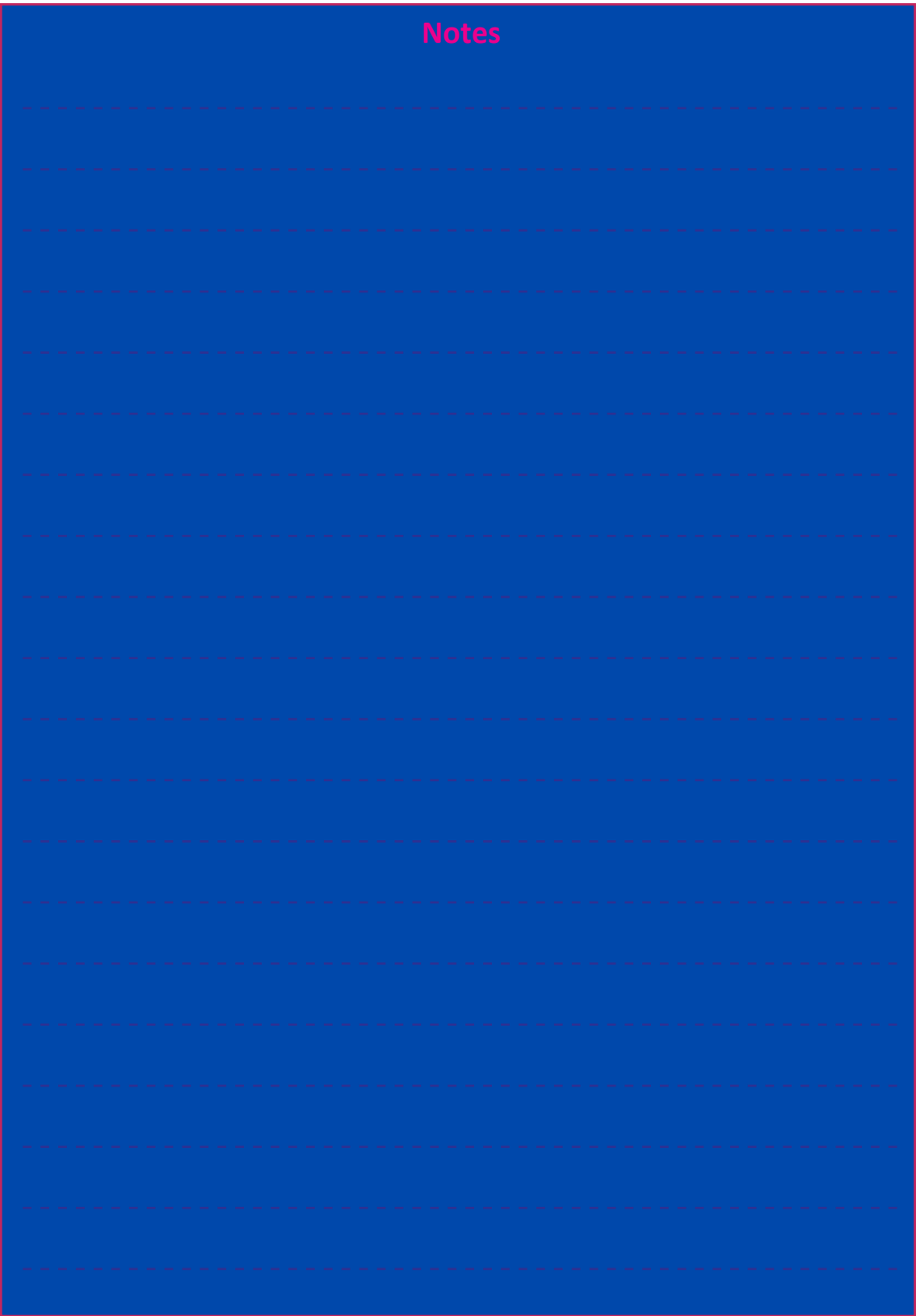
### Extended activities

- Compare liberalisation policies with Gandhiji's economic ideas and make a note.
- Is there any Indian company that has become a multinational company? Collect information with the help of the Internet.

## Notes

A large black rectangular area with horizontal dashed lines for writing notes. The lines are evenly spaced and run across the width of the area. The word "Notes" is written in pink at the top center of this area.

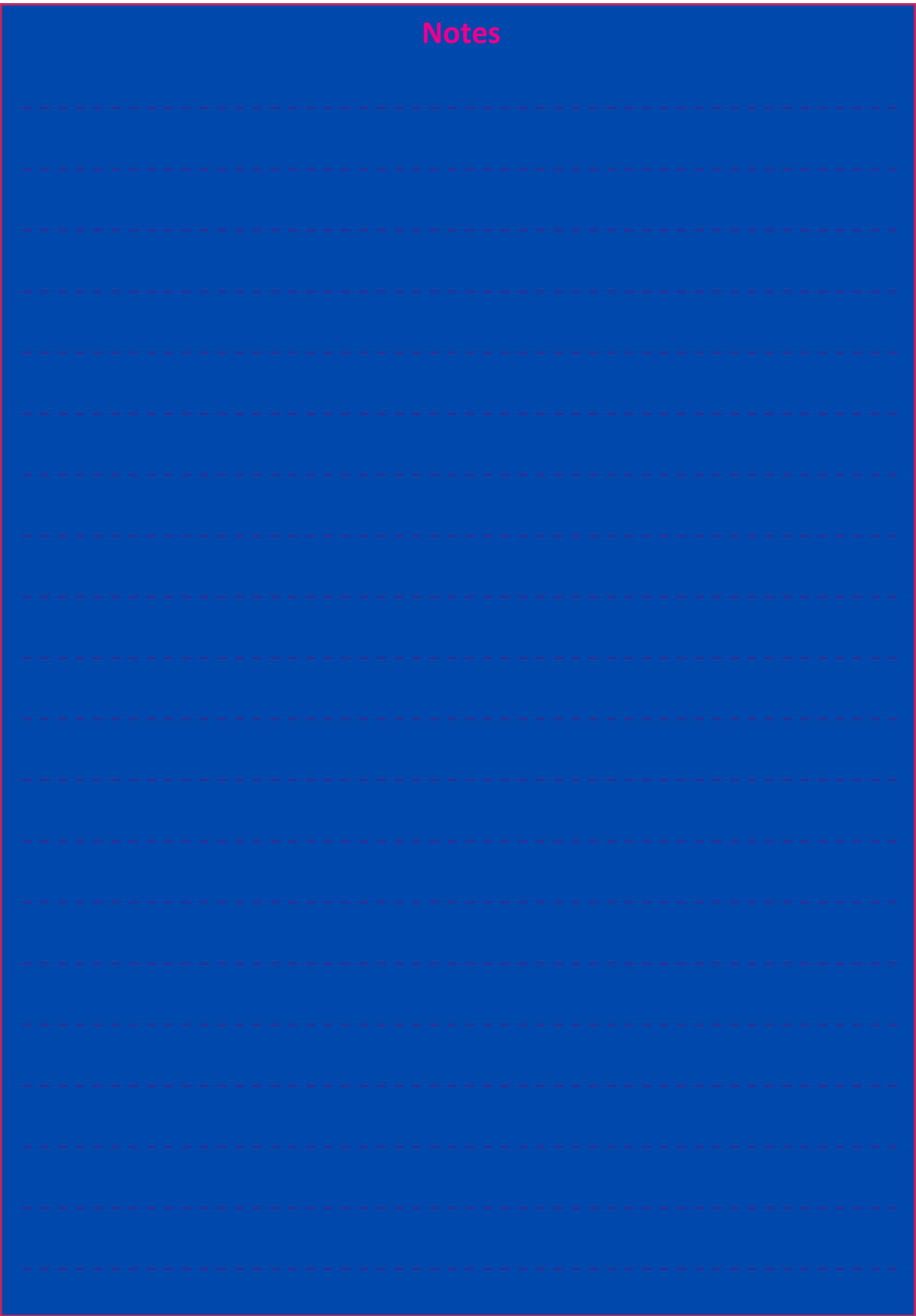
## Notes



## Notes

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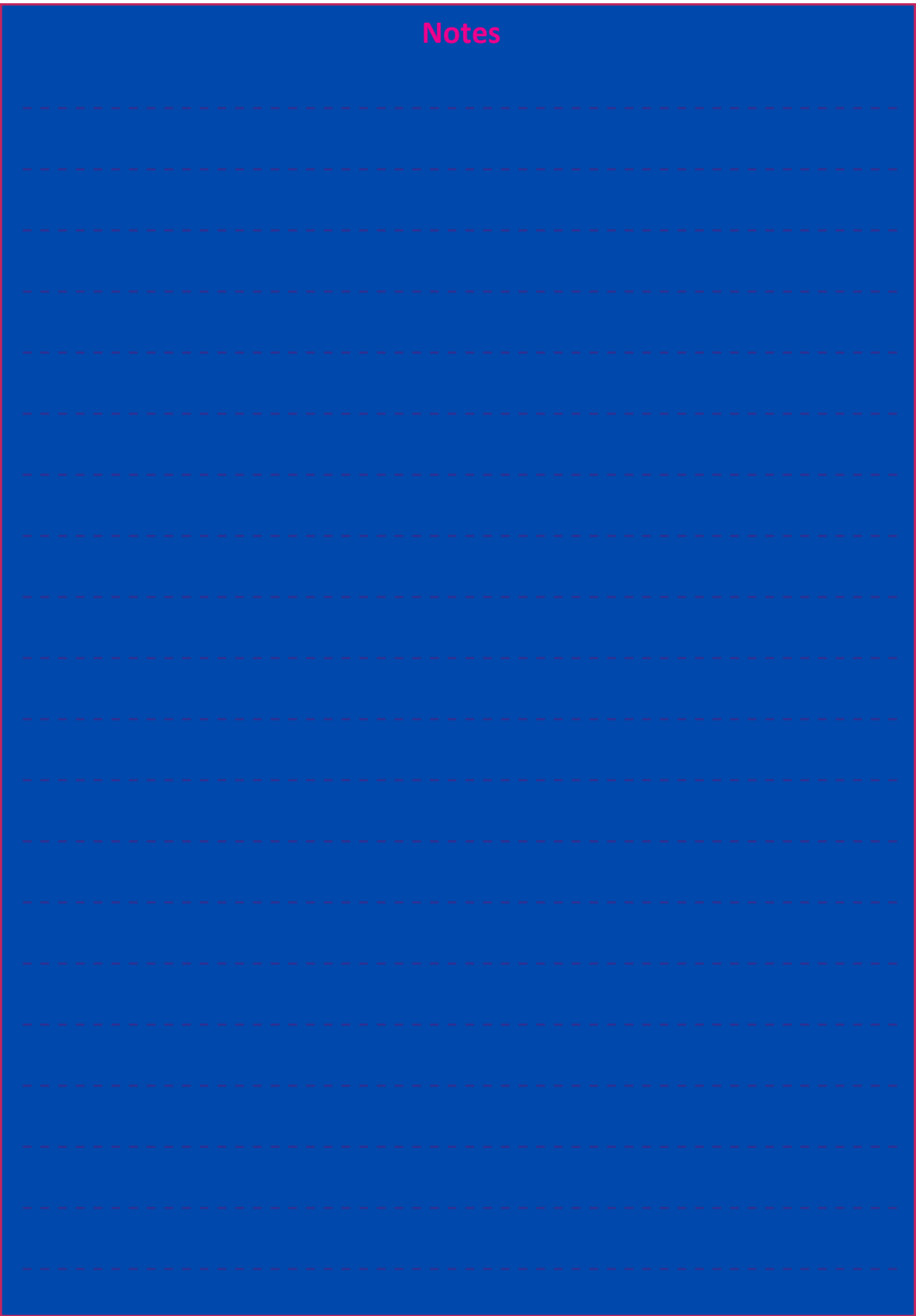
## Notes



## Notes



## Notes



## *Security Features of a Genuine Indian Currency Note*

We have to know more about currency notes used for financial transactions. Genuine currency notes have certain security features. Awareness of those features can save us from being duped.

### ▶ **Paper**

Banknotes are printed on special watermarked paper with substrate cotton and cotton rag. This gives the banknotes a unique “touch feel” and “crackling sound”.

### ▶ **Watermark**

The portrait of Mahatma Gandhi, the multi-directional lines and an electrolyte mark showing the denomination value appear in this section and these can be viewed better when the banknote is held against light.

### ▶ **Security Thread**

All banknotes carry a security thread, partially exposed and partially embedded, with readable window. The security thread of notes up to Rs 500 denomination contains “Bharath” in Hindi and “RBI” in English alternately. Rs 1000 denomination notes additionally contain “1000” as a numeral in the security thread.

### ▶ **Micro lettering**

The letters “RBI” and the denomination value as a numeral can be viewed with the help of a magnifying glass in the zone between the portrait of Mahatma Gandhi and the right vertical band. (However, only letters “RBI” is seen in Rs. 10 denomination).

### ▶ **Intaglio Printing**

The name Reserve Bank of India, the Guarantee Clause, the Promise Clause, the Signature of RBI Governor, the Portrait of Mahatma Gandhi, the Reserve Bank Seal, the Ashoka Pillar Emblem, the Central Denomination Value in words and figures are printed in intaglio, i.e., in raised prints which can be felt by touch.

### ▶ **Fluorescence**

The number panels of banknotes are printed in fluorescent ink.

### ▶ **Optically Variable Ink**

The colour of the denomination in numeral appears green when the note is held flat and changes to blue when the note is held at an angle. The font size also appears reduced. This feature is available only on notes of Rs. 500 and Rs. 1000 denominations.

### ▶ **Latent Image**

The vertical band contains the denomination in numeral. This can be seen by keeping the note flat on the palm of your hand at eye level and viewing it against the light.

*Printing and circulation of forged notes are offences under Sections 489A to 489E of the Indian Penal Code and are punishable in the courts of law by fine or imprisonment or both.*