ONE PAGE SUMMARY

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Indian Economy on the Eve of Independence

Understanding the Indian Economy Before Independence

DEFINITION

The Indian economy on the eve of independence refers to the economic conditions and structures in India just before gaining independence in 1947. It was characterized by colonial exploitation, agrarian distress, and limited industrial development.

KEY CONCEPTS

Colonial Exploitation

British colonial rule extracted resources and wealth from India, hindering local economic growth.

Agrarian Economy

The majority of the population was engaged in agriculture, often facing poverty and debt.

Industrial Development

Industrialization was minimal, with few industries established primarily for British interests.

Trade Imbalance

India exported raw materials but imported finished goods, leading to a trade deficit.

Economic Policies

British policies favored British industries and suppressed Indian entrepreneurship and self-sufficiency.

EXAMPLES

→ The decline of handloom weavers due to British textile imports.

→ The establishment of railways primarily for resource extraction.

→ The Great Bengal Famine of 1943 highlighting agrarian distress.

MEMORY TIPS

★ Remember 'C.A.I.T.' for Colonial, Agrarian, Industrial, Trade imbalance.

★ Visualize a map of India with arrows showing resource flow to Britain.

★ Associate the year 1947 with independence and the end of economic exploitation.

COMMON MISTAKES

✗ Confusing the causes of economic distress with post-independence issues.

✗ Overlooking the role of local industries in pre-independence economy.

✗ Misunderstanding the impact of British policies on Indian agriculture.

QUICK RECAP

Before independence, India's economy was largely agrarian and exploited by British colonial policies. Key issues included trade imbalances and minimal industrial growth, leading to widespread poverty and distress among the population.