

# How and why is India changing and what are the effects?

## Changing industry in India

There are four main types of jobs or industries in India. These are:

**primary**, which involves getting raw materials from the land, e.g. farming or forestry

**secondary**, which is making products out of raw materials, e.g. food processing and car manufacturing

**tertiary**, which is providing a service, e.g. doctors and teachers

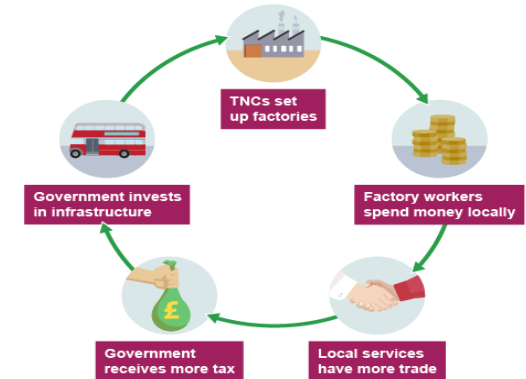
**quaternary**, which means providing specialist information, e.g. computer software designers and scientists.

## India's changing industrial structure

A country's industrial structure is the percentage of people working in each job type. Changing the balance between these four sectors of industry can help a country to develop.

Up until the 1980s, India's main type of industry was primary. Many people were subsistence farmers, which is not very profitable. From the late 1980s, the Indian government encouraged foreign transnational corporations (TNCs) to set up within the country. Factories were built and secondary jobs in manufacturing were created. Factory workers earn more money, which means that they can afford to pay people for services, such as entertainment and healthcare. Workers in the tertiary (service) sector are paid more than in primary and secondary.

The additional wealth generated from the changing industrial structure in India has created a **multiplier effect** - as one thing improves, it allows other things to improve too.



## The role of transnational corporations (TNCs)

Many **transnational corporations** (TNCs) have set up factories and offices in India. The country is an attractive location to TNCs because the population speak good English, they have strong IT skills and they work for lower wages than people in many other countries. Companies like Toyota, Volvo and Hyundai **manufacture** cars in India. Companies like ASDA, BT and Virgin Media have **call centres** in India.

### Advantages of TNCs in India

There are many advantages of TNCs. India has benefited in many ways: TNCs have created jobs and offered education and training to employees the additional wealth has led to the **multiplier effect** some TNCs have set up schemes to provide new facilities for local communities the **infrastructure** of the country has been improved, with new roads and internet cabling TNCs pay **tax** to the government, which can be spent on development projects

### Disadvantages of TNCs in India

There have also been some disadvantages of TNCs in India: some corporation leaders have taken advantage of the relaxed environmental laws in the country by creating lots of pollution the conditions for workers in factories can be very harsh many TNCs are owned by foreign countries so **economic leakage** occurs, where profit is sent abroad the best jobs are often given to foreign workers from the TNC's country of origin TNCs use many of the country's natural resources - a soft drink bottling plant in Kerala, India, was shut down due to its impact on local water supplies

## Political and trading relationships - imports and exports

### India's imports

India imports **raw materials** and products from many countries. The highest value imports come from China, the United Arab Emirates (UAE), Saudi Arabia and the United States of America (USA).

India's biggest imports are **crude oil**, gold, silver, electronic goods and **machinery**. Oil and machinery are used to run factories. Gold, silver and electronic goods are luxury items, which shows that the country is becoming wealthier.

### India's exports

India exports products to lots of different countries. The highest value of exports go to the USA, UAE, Singapore and China. The UK is the eighth biggest importer of Indian products.

India's biggest exports are **petroleum products**, jewellery, **pharmaceutical** products, transport equipment and clothing. These are high value products. It is good for India to import cheaper raw materials and export more expensive finished products.



India faces serious economic and social issues as a result of centuries of economic exploitation by colonial powers. However, since gaining independence from Britain in 1947, India has become a Newly Emerging Economy (NEE). With the world's third largest military expenditure, largest armed force, and third largest economy in terms of purchasing power parity, India is a regional power, a nuclear power, a global power and a potential superpower.



Aid is given to help with development. It can come in a variety of forms:

**Short-term aid** - needed after sudden disasters.

**Long-term aid** - money given for a specific project over a long period of time.

**Tied aid** - aid that is given with conditions attached.

**Charitable aid** - raised by donations from charities.

**Bilateral aid** - when one country gives money to another. Only two countries are involved.

**Multilateral aid** - when more than one country gives money, eg through the World Bank.

India has always been one of the biggest receivers of aid from the UK, with the UK government giving over £200m to the country every year. This money has been spent on projects that have helped the country to progress. UK aid has been used to improve standards of education, health and sanitation in India and for projects to help small businesses.

In 2015 there was an end to this flow of money. The UK government said that India now had a better economy than before and did not need the money.



The Geosynchronous Satellite Launch Vehicle, India's largest rocket and unmanned capsule

**Social improvements:** The structure of the population in India is changing. Health and hygiene improvements have meant that **life expectancy** has increased from 38 to 68 years within a generation.

## The Sardar Sarovar dam – a large scale water transfer project

Advantages	Disadvantages
21 lakh of land now irrigated	245 villages drowned
1450 MW of green energy	40,000 people forced to move
2.5 crore people now have access to clean drinking water	37,500 acres of fertile farm land drowned



### What progress has been made with the Millennium Development Goals in India?

India made a lot of progress with the MDGs. It has successfully:

1. Reduced the number of people living below the **poverty line**.
2. Decreased **gender disparities** in schools so that the number of girls and boys attending classes is more even.
3. Reduced the number of women who die during or straight after childbirth.
4. Increased the percentage of households with access to clean, safe water.
5. Reduced the spread of **HIV/AIDS, malaria** and other diseases. This will mean that more of the population is healthy and able to work.

### What more needs to be done?

1. The percentage of households with access to adequate sanitation is still too low.
2. The role and status of women within the workplace is still lower than that of men.
3. Child and infant mortality rates. Many children and babies still die from curable illnesses and poor **hygiene**.
4. Overall enrolment at school. Whilst the gender balance has improved, school attendance is still low.
5. **Literacy rates**. These are improving, but still too many adults cannot read or write.



### Water harvesting in Laporiya village, Rajasthan

This area gets only 3% of India's water but the village never runs out of water.

They build a system of 2m high embankments. These mud walls slow down the flow of rainwater giving it enough time to percolate before runoff. Groundwater moisture is filled up and rises – this is called recharging.

3 lakes are made; 2 for drinking and 1 for irrigation. It is built and maintained by the local people. Nobody needs to migrate to the city to get jobs because they can all earn a living.