guided READING

5 What is the main way people make money in the periphery?

6 How has India increased trade over time?

9 What is the difference between public and private investment?

INDIA CASE STUDY

internet geography

Why is development uneven in India and what has been done to improve this situation?

India is an emerging country with a rapidly growing economy in Southern Asia. It has the second-largest population in the world with 1.3 billion people. India has a diverse cultural background. Ports, such as those in Mumbai, have developed along India's extensive coastline, providing significant trade opportunities for India.

How and why is development across India in uneven?

Development across India is very uneven. This uneven development can be explained by the core-periphery model.
Industrialised, urban areas which are centres for economic growth are core areas. The periphery is the surrounding, mainly rural areas where there is little economic development and few jobs.
Core areas developed around raw-materials. For example, the Damodar valley became a centre for heavy engineering following the discovery of coal and iron ore.
Once a large industry moves into an area there is a multiplier effect. This means people have better jobs and a higher income which leads to increased wealth in the area. This means there is more investment in the infrastructure, which in turn attracts more businesses to the area.

States that are peripheral to Maharashtra, such as Bihar, have higher levels of poverty. States such as this still rely on agriculture for much of their income, however, crop yields and prices are variable.

INDIA AND INTERNATIONAL TRADE

Since 1991, when India reduced barriers to trade, international trade has become increasingly important to India's economy as foreign business has increased.
India is a member of the World Trade Organisation (WTO) and the G20 (the world's 20 largest economies). India's largest trade partners are the USA, China and the United Arab Emirates. India's main import is crude oil and its main exports are chemical products and diamonds.

INDIA AND AID

India has been one of the largest receivers of international aid. It has received aid from individual countries such as the UK, which, until 2015, received over £200 million a year to help tackle poverty. It has also received loans from IGOs such as the World Bank. India changed its economic policies in 1991 to allow foreign businesses to locate in the country following an aid deal of US $2.2 billion from the International Monetary Fund (IMF).

How are public and private investment in India changing?

Prior to 1991, the main type of investment in India was public (by the government). Private investment was prevented in most industries, a licence was needed by private companies before they could start producing goods.

Following India opening its economy to private sector investment in 1991, some large TNCs from the USA and Europe outsourced IT and manufacturing to India. This is because India relaxed foreign investment rules, allowing foreign companies to own more land and properties.
The government has also encourages smaller Indian companies to invest in economic development through projects such as Startup India. Paperwork and taxes have been reduced to support investment.

To support further economic development the government has been increasing public investment by upgrading the rail network, improving broadband provision and building new roads.

1 Where is India located?

2 What has allowed India to trade?

3 What is the difference between the core and periphery?

4 How did the Damodar valley develop?

10 Why did TNCS outsource IT and manufacturing services to India?

11 How else has India improved economic development in the country?

12 What is the most important thing that India has done to boost its development?

7 Where has India received aid from?

8 Why was 1991 such an important year for India?