

M A Economics Semester II

Paper: Indian Economics- Issues & Policies- (I) (CC 05)
Topic: Changing Role of the State
Content by: Dr Pushpa Sinha, HoD, Department of Economics
E-mail: pushpasinha.6360@gmail.com
Mobile no: 9939470108



### WHAT IS STATE ?

• A sovereign political organization, consisting of a permanent population, a defined territory, a government and recognized by other state.

### VHAT IS NATION STATE ?

Population of a state are considered as nation when they have –common culture, common world view, common way of life, shared history. Thus, India is called the country of nations.

### WHAT IS WELFARE STATE ?

 State plays a key role in the protection and promotion of the economic and social well- being of citizens. State ensures equality of opportunity, equitable distribution of wealth, social justice, etc.



#### **CHANGING ROLE OF STATE WORLDWIDE:**

# MONARCHY AND FEUDALISM

CAPITALISM/ MARKET ECONOMY

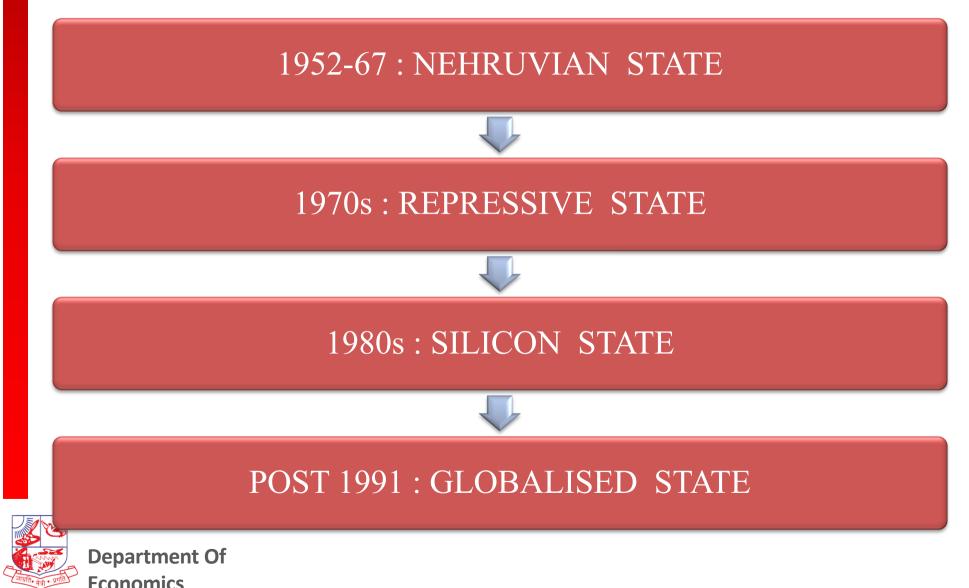
SOCIAL STATE/ SOCIALISM

# MIXED ECONOMY



Department Of Economics INCLINING TOWARDS MARKET ECONOMY

# CHANGING ROLE OF STATE IN INDIA



### **1952-67 : NEHRUVIAN STATE**

- During this time State played the role of Development and Welfare state.
- Developmental State intervening in economy, social arrangements to promote secular and scientific values.
- State is moving towards nation building task.
- State was at **controlling and commanding heights of economy**.



# **1970s : REPRESSIVE STATE**

- Repressive State frequently resorted to the use of brute power. •
- Nationalization of Banks, Insurance, and other private entity. •
- Private sector and capitalist growth curbed through licensing, permit and quota • system.
- Poverty alleviation, employment guarantee, mid day meal, etc. were the types of • welfare scheme that were however launched.



## **1980s : SILICON STATE**

- The opening up or the liberalization of the economy started from this phase.
- Private sector was promoted in new emerging sectors.
- Role and performance of Public Sector Units was scrutinized.
- New technologies introduced in different sectors .



# **1991 : GLOBALISED ECONOMY**

- The process of liberalization, Privatization, and globalization has been introduced.
- The state only act as a facilitator and for very few moments as regulator.
- Modernization has been introduced.
- Private sector was allowed to entry into the sectors that were reserved for public sector earlier.
- Foreign investment and others was allowed.
- The licensing raj ended upto a great extent.



## CONCLUSION

- The role of state has changed since the beginning, both in the worldwide scenario as well as in the country, India.
- As per the changing scenario, the State is also changing to fulfill the need of the citizens and the developing economic prospects.
- Even today the globalization process has been going on which was started since 1991 and most of the countries in the world are moving towards market oriented economy.

