Q.N.Explain. Mahadev Govinda Ranade's ideas on economic development.

Ans. Ranade observed thatIndian economy can be developed and poverty can be removed by taking sincerely and appropriately the following steps.

In a country like India,industrialisation and urbanisation must be linked together.Agicultural growth should also be linked with urbanisation and industrialisation.India should concentrate more on the industrial development of the country. Indian industries require protection.Ranade wanted India to produce raw materials and process the same for export in the form of finished goods to other countries.Hr was in gafour of import of skill and technique of production.India should compete with foreigners. It should organise labour and capital by co-operation and import freely skill and machinery..

He stated that diversification of the indian economy was the only remedy for making the country free from famines.He was in favour of some strategic industries like iron and steel industry in India..Ranade's concept of wealth included not only physical capital but also education and technology.

Ranade suggested that land should belong to to the actual tillers.He also suggested the fixation of shares of farmers in the total produce.He advocated permanent ryotwari land settlement for a period of at least thirty years.For facilitating credit in the agricultural sector,Ranade suggested institutional changes in the agricultural sector.He suggested lineralisation of land policy and payment of tax according to the convenience of the cultivators.He wanted to have a proper reorganisation for streamlining the credit system in the country.

He blamed Indians for hoarding of gold and silver.He opined that these precious matels can be used productively for the purpose ofdevelopment.It is necessary to properly husband economic resources of the country.India has the distinct advantage in having large natural resources and abundant supply of labour.Thus, those industries can be started which require raw materials and labour.

Ranade was in favour of balanced approach towards population policy for the country.He suggested that people should emigrate from thickly-populated areas to thinly-populated areas.

Ranade explained that agricultural development must be linked with the existence of the non-agricultural market.He accepted the existence of interdepence between agrriculture and industry.The method of industrial development in India should be labour intensive. He suggested the development of institutional lending system.This requires institututions like banking and and financial intermediaries.

According to Ranade, for a country like India, the policy laissez-faire is not beneficial.The state had to work like a friend,philosopher and guide in such countries.It has to give subsidies and bounties for industrial development.The state has to organise trade,finance and commerce. The state has to look after education, communication, industrial development, agricultural development and so on.