

BUILDING BLOCKS IN ECONOMICS

CLASS IX



Scarcity

- Resources (money, time, land, water) are limited.
- Human wants are unlimited.
- It refers to the basic economic problem where human wants are unlimited, but the resources available to satisfy those wants are limited.
- Example: A family has ₹500. They must decide whether to buy groceries or a new toy.

Choice

- Because of scarcity, we must make choices.
- Choosing one option means giving up another.
- Example: If you spend time playing cricket, you cannot use that same time to study.

Scarcity and Choice Go Together

- **Scarcity** means resources are limited (like money, time, land, or energy).
- Because of scarcity, we **cannot have everything we want**.
- This forces us to make a **choice** — we must decide which need or want is more important.
- Every choice involves giving up something else, which is called **opportunity cost**.

Example:

You have only ₹100.

- You want to buy a book **and** go to the cinema.
- Since money is scarce, you must **choose one**.
- If you buy the book, the cinema is the opportunity cost.

👉 **Conclusion:** Scarcity creates the need for choice, and choice always comes with a cost

1. SCARCITY – WHY WE CAN'T HAVE EVERYTHING

Meaning:

Scarcity means resources are limited, but our wants are unlimited.

Simple Understanding:

We always want more things—better phones, clothes, food, entertainment—but:

- Money is limited
- Time is limited
- Resources like land, water are limited

➔ Because of this mismatch, scarcity exists everywhere.



REAL-LIFE EXAMPLES



Example 1: Pocket Money

You get ₹200 for a week. You want:

- Snacks
- A notebook
- A movie ticket

➔ ₹200 is not enough for everything → Scarcity



Example 2: Time Before Exams

You have only 3 hours but want to:

- Study
- Watch YouTube
- Play games

➔ Time is limited → Scarcity of time



Key Idea:

Scarcity is not about poverty—it exists for everyone, even rich people (they also have limited time and resources).

2. CHOICE – DECIDING WHAT TO DO

Meaning:

Choice means selecting one option and leaving others because of scarcity.

REAL-LIFE EXAMPLES



Example 1: Shopping Decision

You have ₹500. You can buy:



A T-shirt

OR



shoes

₹500



➔ You cannot buy both → You must choose



Example 2: Study vs Entertainment

You decide to:



Study for exams

OR



Watch Netflix

➔ You made a choice



Key Idea:

- ➔ Every time you use limited resources, you are making a choice
- ➔ Good decisions = better use of resources

OPPORTUNITY COST :

MEANING: It is the cost of the next best alternative foregone.

For example, Mr X is working in a bank at a salary of Rs 40,000 per month, and he receives two more job offers: a) To work as an executive at Rs 30,000 per month.

b) To become a journalist at Rs 35,000 per month. The opportunity cost of working in the bank is The cost of the next best alternative foregone, i.e., Rs 35,000.

3. OPPORTUNITY COST – WHAT YOU GIVE UP

Meaning:

Opportunity cost is the value of the next best alternative that you sacrifice when making a choice.

➔ It is not all options you leave—only the second-best option.

Simple Understanding

Whenever we make a choice, we get one thing but give up something else that could also have been good for us.

Opportunity cost helps us understand what we are giving up.



REAL-LIFE EXAMPLES

Example 1: Movie vs Study



You choose:
Watching a movie instead of studying.

Opportunity cost =
Marks or knowledge you could have gained.

Example 2: Spending Money



You spend ₹100 on pizza.

Opportunity cost =
What else you could have bought (like a book or saved money).

Example 3: Playing vs Homework



You play cricket instead of doing homework.

Opportunity cost =
Completed homework or teacher's appreciation.



IMPORTANT POINTS

- Opportunity cost is invisible, but it has real value.
- We always give up something when we choose something.
- The higher the opportunity cost, the more careful we should be before making a decision.
- It helps us use our time, money and resources wisely.

REMEMBER:

Every choice has a cost.
Think before you choose!



Scarcity → Choice → Opportunity Cost → Better Decision

What Economists Do:

- **Study Scarcity & Choices** Economists examine how limited resources (land, labour, capital, money, time) are allocated among competing needs.
- **Analyse Human Behaviour.** They observe how individuals, businesses, and governments make decisions about spending, saving, producing, and consuming.
- **Provide Policy Advice** Economists recommend measures to reduce poverty, control inflation, generate employment, and promote growth.
- **Forecast Trends** Using data and models, they predict demand, supply, prices, and future economic conditions.
- **Solve Real Problems.** They help tackle issues like unemployment, rising prices, inequality, and environmental challenges

4. WHAT DO ECONOMISTS DO?

Meaning:

Economists study how people use limited resources.

They try to answer:



What to produce?

Which goods and services are most needed?



How to produce?

Which method or technique should be used?



For whom to produce?

Who will get these goods and services?



How do they study?



Collect data (surveys, reports)

They collect information from people, businesses and government reports.



Analyze patterns

They study the data to find trends and relationships.



Suggest solutions

They suggest policies and solutions for problems like poverty, unemployment, inflation, etc.

5. ECONOMIC ACTIVITIES

(a) PRODUCTION

✚ Making goods and services

Examples:



Farmers growing wheat ✚



Factory producing clothes 🧵

(b) DISTRIBUTION

✚ Supplying goods to people

Examples:



Transporting vegetables to markets



Selling products in shops 🏪

(c) CONSUMPTION

✚ Using goods and services

Examples:



Eating food 🍽️



Using mobile phones 📱

★ **These three activities are connected.** Goods and services are produced, then distributed to people, and finally consumed.

How Economists Study Production:

Production means creating goods and services. Economists study:

- **Inputs:** Land, labour, capital, and entrepreneurship.
- **Techniques:** Labour-intensive (more workers) vs. capital-intensive (more machines).
- **Efficiency:** How to produce more with fewer resources.
- **Example:** Deciding whether India should use more machinery or more workers in agriculture.

How Economists Study Distribution

Distribution refers to how goods, services, and income are shared among people.

Economists analyse:

- **Who gets what share** of resources.
- **Income inequality** between rich and poor.
- **Role of taxes and subsidies** in fair distribution.
- **Example:** Government giving free ration to poor families ensures fair distribution of food.

How Economists Study Consumption

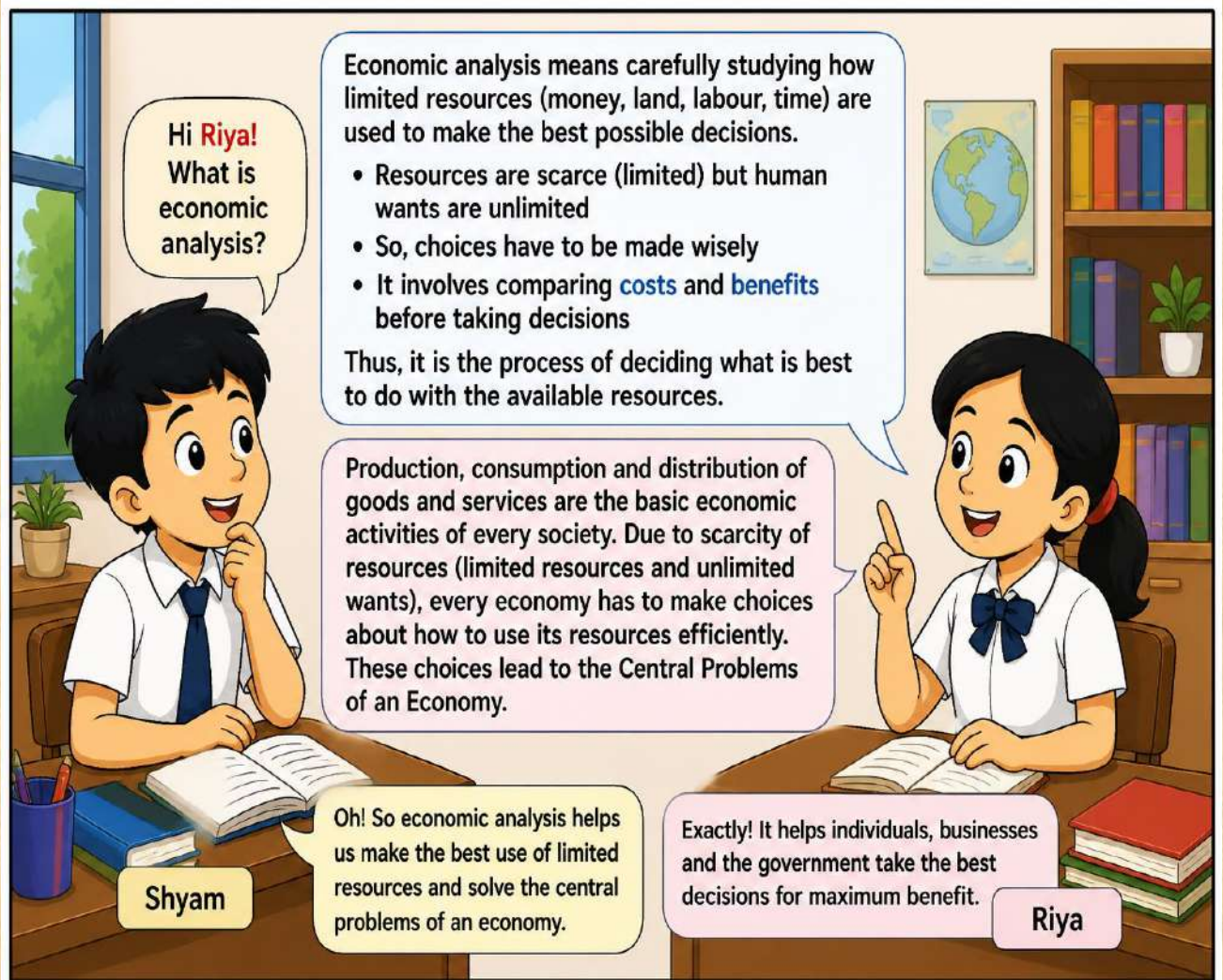
Consumption means how people use goods and services. Economists study:

- **Consumer preferences:** What people like to buy.
- **Spending patterns:** Necessities vs. luxuries.
- **Impact of prices and income:** How changes affect demand.
- **Example:** If petrol prices rise, people may shift to public transport.

Real-Life Connection

- Economists help governments design **policies** like GST, subsidies, or welfare schemes.
- Their work connects **theory with everyday life** — from the food we eat to the jobs we do.
- Example: Studying how rising onion prices affect household budgets and suggesting measures to stabilize prices

CENTRAL PROBLEMS OF AN ECONOMY



Central Problems

- 1. What to Produce
- 2. How to Produce
- 3. For Whom to Produce

These are called central problems because they are the most basic economic problems and all other issues revolve around them.

Central Problems of an Economy



1. What to Produce?

It means deciding which goods & services to produce and in what quantity, because resources are limited.



Example:

- A factory can make TVs (consumer goods) or machines (capital goods).
- If more TVs are made, fewer machines will be produced.



2. How to Produce?

It means choosing the technique of production: Labour-Intensive (more labour) or Capital-Intensive (more machines).



Example:

- Handloom industry → Labour-intensive
- Modern automobile factory → Capital-intensive



3. For Whom to Produce?

It means deciding who will get the goods. Distribution depends on income & purchasing power.



Example:

- Higher income people → buy more (car, AC)
- Lower income people → buy only basics (food, clothes)



Allocation of Resources

Meaning: Allocation of resources refers to the assignment of scarce resources in such a way that maximum satisfaction of human wants is achieved.

1 What to Produce

This problem involves deciding which goods and services to produce and in what quantity. An economy cannot produce everything due to limited resources.

Aspects:

- **What goods to produce:** Consumer, Capital, Civil, or War goods.
 - **How much quantity to produce:** Deciding the specific quantity.
- Examples:**
- Producing more sugar → less production of other goods
 - Producing defence goods → less production of civilian goods

LIMITED RESOURCES



WHAT TO PRODUCE?

An economy has limited resources, so it cannot produce everything. Therefore, it must decide **what goods to produce** and in **what quantity**.



Choice of one means sacrifice of another.


WHAT GOODS TO PRODUCE?

<div style="background-color: #006633; color: white; padding: 5px; text-align: center;"> 1 CONSUMER GOODS </div> <p style="text-align: center;">Goods used for direct satisfaction of human wants.</p> <ul style="list-style-type: none"> • Used by final consumers • Do not help in further production • Can be durable (>3 years) or non-durable (<3 years) • Examples: <div style="text-align: center;">  </div> <p style="text-align: center; background-color: #e0f0e0; padding: 5px;">Food items, clothes, mobile phones</p>	<div style="background-color: #003366; color: white; padding: 5px; text-align: center;"> 2 CAPITAL GOODS </div> <p style="text-align: center;">Goods used to produce other goods and services.</p> <ul style="list-style-type: none"> • Used by producers/businesses • Help in increasing production • Not directly used for consumption • Examples: <div style="text-align: center;">  </div> <p style="text-align: center; background-color: #e0f0f0; padding: 5px;">Machines, tools, factory equipment</p>	<div style="background-color: #ff6600; color: white; padding: 5px; text-align: center;"> 3 CIVIL GOODS </div> <p style="text-align: center;">Goods used for normal day-to-day civilian life (non-military use).</p> <ul style="list-style-type: none"> • Used by general public • Improve standard of living • Produced for peaceful purposes • Examples: <div style="text-align: center;">  </div> <p style="text-align: center; background-color: #fff9c4; padding: 5px;">Bread, furniture, cars</p>	<div style="background-color: #660066; color: white; padding: 5px; text-align: center;"> 4 WAR GOODS </div> <p style="text-align: center;">Goods used for defence and military purposes.</p> <ul style="list-style-type: none"> • Used by armed forces • Important for national security • Not used for daily consumption • Examples: <div style="text-align: center;">  </div> <p style="text-align: center; background-color: #e0e0ff; padding: 5px;">Guns, tanks, missiles</p>
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REAL-LIFE EXAMPLES: BECAUSE RESOURCES ARE LIMITED, WE HAVE TO CHOOSE

<div style="background-color: #006633; color: white; padding: 5px; text-align: center;"> 1. FARMER'S DECISION </div> <div style="text-align: center;">  </div> <ul style="list-style-type: none"> • A farmer has limited land. • He must decide: grow wheat or sugarcane? • If he grows more wheat, less land is left for sugarcane. <p style="font-size: small;">Conclusion: Choosing one means sacrificing another.</p>	<div style="background-color: #003366; color: white; padding: 5px; text-align: center;"> 2. FACTORY PRODUCTION </div> <div style="text-align: center;">  </div> <ul style="list-style-type: none"> • A factory can produce either TVs (consumer goods) or machines (capital goods). • If it produces more machines, it helps future production but fewer TVs are available now. <p style="font-size: small;">Conclusion: Choice between present vs future benefits.</p>	<div style="background-color: #ff6600; color: white; padding: 5px; text-align: center;"> 3. GOVERNMENT DECISION </div> <div style="text-align: center;">  </div> <ul style="list-style-type: none"> • Government budget is limited. • It must decide: build roads, schools (civil goods) or spend on missiles, tanks (war goods)? • If more money is spent on defence, less money for public welfare. <p style="font-size: small;">Conclusion: Trade-off between development and security.</p>	<div style="background-color: #660066; color: white; padding: 5px; text-align: center;"> 4. SHOPKEEPER CHOICE </div> <div style="text-align: center;">  </div> <ul style="list-style-type: none"> • A shopkeeper has limited space. • He must choose: keep groceries (daily needs) or luxury items (expensive goods)? • Choice depends on demand and profit. <p style="font-size: small;">Conclusion: Every choice has an opportunity cost.</p>
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★ Because resources are limited, every producer, businessman or government must choose **what goods to produce** and **in what quantity**, leading to sacrifice of other options.



Guiding Principle: Allocate resources to achieve maximum aggregate satisfaction.

2 How to Produce

This problem refers to the choice of technique used in production:

- Labour-Intensive Technique (LIT): More labour, less capital.
- Capital-Intensive Technique (CIT): More capital, less labour.

Choice Depends On:

- Availability of labour and capital
- Cost of inputs
- Level of technology
- Economic conditions

Examples:


- ✚ Handloom industry → Labour-intensive
- ▣ Modern factories → Capital-intensive

HOW TO PRODUCE?

This problem refers to the choice of technique used in production.

1. LABOUR-INTENSIVE TECHNIQUE (LIT)

More labour, less capital.




Example: Handloom industry → Labour-intensive

- Uses more people
- Uses simple tools and machines
- Suitable when labour is abundant
- Cost of capital is high

2. CAPITAL-INTENSIVE TECHNIQUE (CIT)

More capital, less labour.



Example: Modern factories → Capital-intensive

- Uses more machines and equipment
- Needs skilled workers to operate
- Suitable when capital is abundant
- Cost of labour is high

CHOICE DEPENDS ON:

- Availability of labour and capital
- Cost of inputs (labour and capital)
- Level of technology available
- Economic conditions
- Government policies and support

REAL-LIFE EXAMPLES

Industry	Labour-Intensive (LIT)	Capital-Intensive (CIT)	Reason
Textile	Handloom weaving	Automatic textile mill	Handloom uses more workers, mills use more machines
Footwear	Making shoes by hand	Shoe manufacturing plant	Factories use machines, less labour
Agriculture	Traditional farming with more workers	Tractor and harvester based farming	Machines do the work, less labour needed

IN SHORT

An economy must choose the technique of production (LIT or CIT) by considering available resources, costs, technology and economic conditions to produce goods efficiently.

Guiding Principle: Use the technique that is most efficient and cost-effective.

3 For Whom to Produce

This problem deals with the distribution of goods and services. Since resources are limited, goods cannot satisfy everyone equally. Distribution depends on **income and purchasing power**. Higher income leads to more consumption, while lower income leads to limited consumption.

Why does this problem arise?

Production is done using 4 factors:

- Labour → gets **wages**
- Land → gets **rent**
- Capital → gets **interest**
- Entrepreneur → gets **profit**

So, whoever earns more income can buy more goods.

The problem can be categorised under two main heads:

◆ **1. Personal Distribution-** It means:
How total income is shared among people

Example:

- A rich person earns ₹1,00,000/month → can buy car, AC, branded clothes 🚗
- A poor person earns ₹10,000/month → can buy only basic food and clothes 🏠

So, goods are produced more for **rich people** because they can pay more.

◆ **2. Functional Distribution**

It means:

How income is shared among factors of production

Example:

In a factory:

- Workers get wages
- Owner earns profit
- Bank gets interest
- Landlord gets rent

Each gets income based on their contribution.



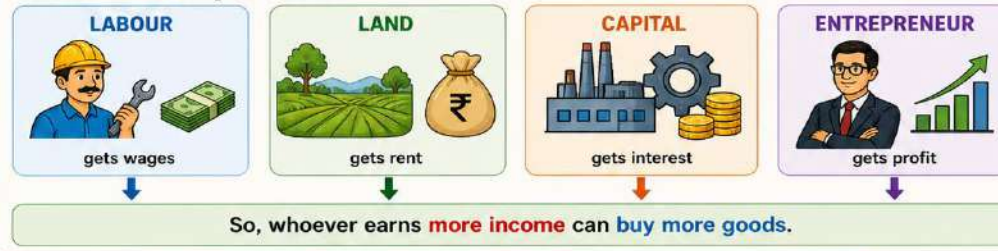
DISTRIBUTION OF GOODS AND SERVICES

This problem deals with the distribution of goods and services. Since resources are limited, goods cannot satisfy everyone equally. Distribution depends on **income and purchasing power**. Higher income leads to more consumption, while lower income leads to limited consumption.



WHY DOES THIS PROBLEM ARISE?

Production is done using 4 factors:



THE PROBLEM CAN BE CATEGORISED UNDER TWO MAIN HEADS:

1. PERSONAL DISTRIBUTION

It means:

How total income is shared among people

EXAMPLE:



So, goods are produced more for **rich people** because they can **pay more**.

2. FUNCTIONAL DISTRIBUTION

It means:

How income is shared among factors of production

EXAMPLE:



Each gets income based on their **contribution**.



Distribution of goods and services depends on **income and purchasing power**.
Higher income → more consumption | Lower income → limited consumption

Guiding Principle

Production should satisfy the needs of all people as much as possible

Examples:

- Luxury goods are consumed by **rich people**

- Basic necessities are consumed by **all people**
- Subsidised goods are provided to **poor sections**

Problem	Focus	Key Idea
What to Produce	Goods & Quantity	Priority & Choice
How to Produce	Technique	Efficiency
For Whom to Produce	Distribution	Income & Equity

Economic Analysis Helps in Policy-Making & Real-Life Problems

Meaning

Economic analysis means:

Studying data, trends, and problems to make better decisions for the country

Role of Economic Analysis in Policy-Making

1. Helps Government Make Better Policies

Economic analysis helps the government understand people's needs and identify problem areas. It guides decision-making for effective policy formation.

Example:

If food prices rise (inflation), the government may reduce taxes or increase food supply.

2. Ensures Proper Use of Resources

Since resources are limited, economic analysis helps decide where money and resources should be allocated efficiently.

Example:

Government may allocate more budget to education 🏠 or healthcare based on priority.

3. Reduces Poverty and Inequality

It identifies poor sections of society and income gaps, helping the government design welfare schemes.

Example:

Schemes like free ration or employment programs are introduced for weaker sections.

4. Controls Economic Problems

Economic analysis helps manage major issues like inflation and unemployment by finding their causes and solutions.

Example:

Government may create job opportunities or control rising prices.

5. Solves Real-World Problems

It studies practical issues like unemployment, poverty, and environmental problems and suggests suitable solutions.

Example:

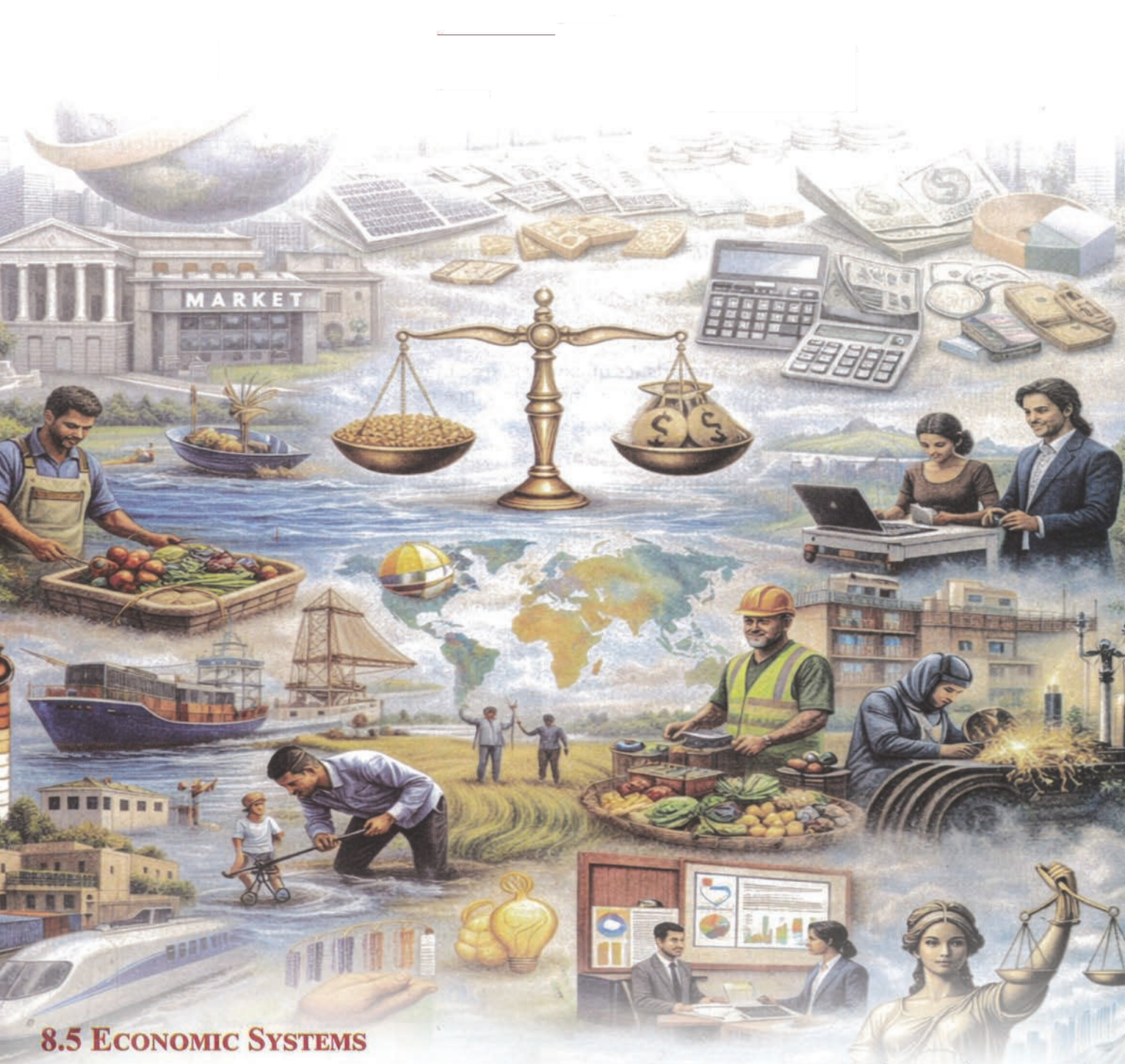
Skill development programs for jobs and pollution control laws 🌱 for environmental protection.

Conclusion

Economic analysis helps the government take **smart, informed decisions** to solve economic problems, use resources efficiently, and improve people's standard of living.

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8.5 ECONOMIC SYSTEMS

An economic system is the way a society organizes the production, distribution, and consumption of goods and services. It determines how resources are used, what is produced, how it is produced, and for whom it is produced. Different countries use different economic systems depending on their priorities, culture, and level of development.

There are three main types of economic systems:

Capitalist Economy (Market Economy)

In a capitalist economy, most resources like land, labour, and capital are owned by private individuals or businesses rather than the government. Decisions about what to produce, how to produce, and for whom to produce are mostly guided by market forces such as supply and demand. Producers

aim to make a profit, and consumers decide what to buy, which encourages competition, innovation, and efficiency.

For example, if a company produces smartphones, it decides the quantity, design, and price based on what customers want. While this system encourages growth and better quality products, it can also lead to inequality, as those who cannot afford goods or services may be left out. The government usually intervenes only to regulate markets, prevent monopolies, and protect public interests.

Role of Demand and Supply: Demand and supply are the two main forces that determine how goods and services are produced, distributed, and priced in a market economy.

1. **Demand** refers to the quantity of a good or service that consumers are willing and able to buy at a certain price. When demand increases, producers are encouraged to make more of that good. For example, if more people want smartphones, companies will produce more to meet the demand.
 2. **Supply** refers to the quantity of a good or service that producers are willing and able to sell at a certain price. When supply increases, prices may fall, and when supply decreases, prices may rise. For example, if there is a shortage of rice, its price will go up, encouraging farmers to grow more.
- The interaction of demand and supply determines the market price and quantity of goods and services. If demand is higher than supply, prices rise; if supply is higher than demand, prices fall. This mechanism ensures that resources are allocated efficiently in the economy.

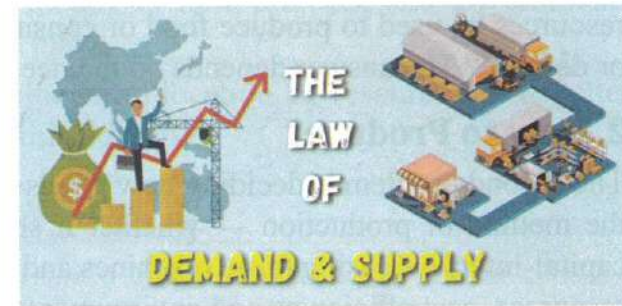
Advantages of a Market Economy

1. **Encourages Efficiency:** Producers compete to offer better quality goods at lower prices, which leads to efficient use of resources.
2. **Promotes Innovation and Growth:** Competition motivates businesses to innovate, improve products, and adopt new technology, which drives economic growth.
3. **Consumer Choice:** Consumers have a wide variety of goods and services to choose from, allowing them to satisfy their individual wants and preferences.
4. **Flexible and Responsive:** A market economy can quickly respond to changes in demand and supply, adjusting production and prices without much delay.
5. **Incentive for Profit:** The possibility of earning profit encourages individuals and businesses to work hard, invest, and take risks, leading to overall economic development.

Despite these advantages, a market economy may also lead to income inequality and neglect of public welfare, which sometimes requires government intervention.



Capitalist Economy



Demand and Supply

Limitations of a Market Economy

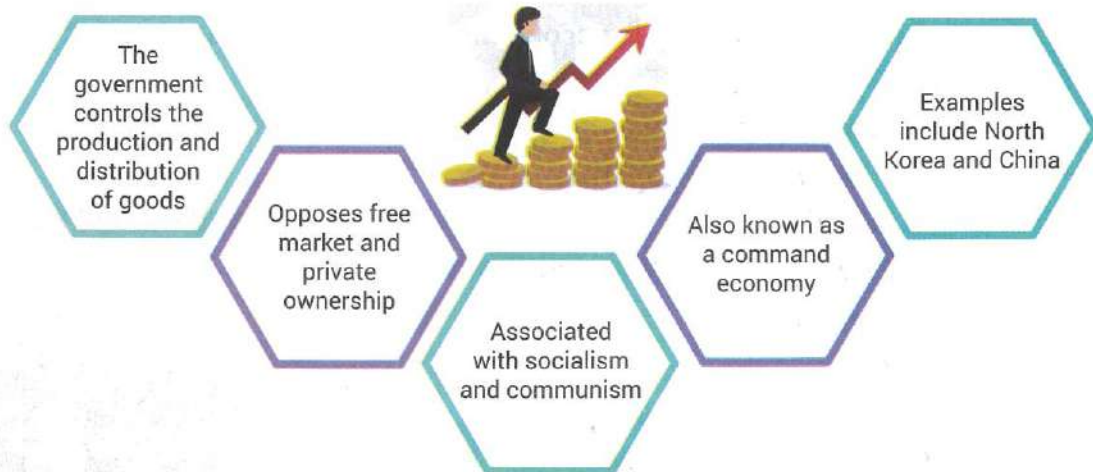
1. **Income Inequality:** Since wealth and resources are privately owned, some people may become very rich while others remain poor, leading to unequal distribution of income.
2. **Neglect of Public Welfare:** Essential services like education, healthcare, and social security may be ignored because they may not generate profit for private businesses.
3. **Overproduction of Luxury Goods:** Producers may focus on goods that bring high profit rather than basic necessities, creating imbalances in production.
4. **Economic Instability:** Market economies can face booms and busts, leading to periods of inflation, unemployment, or recession.
5. **Exploitation of Resources:** Profit motives may lead to overuse of natural resources and environmental damage, ignoring long-term sustainability.

These limitations show that while a market economy encourages growth and efficiency, government intervention is often necessary to ensure fairness, stability, and welfare.

Socialist Economy (Planned Economy)

In a socialist or planned economy, most resources like land, factories, and capital are owned and controlled by the government rather than private individuals. The government decides what goods and services should be produced, how they should be produced, and who should get them. This system aims to ensure that everyone's basic needs, such as food, healthcare, education, and housing, are met fairly.

For example, the government may decide to build schools and hospitals instead of luxury shopping malls because it prioritizes public welfare. While a socialist economy reduces inequality and focuses on social justice, it can also lead to inefficiency and slow response to changing needs, as production is based on plans rather than market demand. The system works best when the government carefully plans and manages resources.



Centrally Planned Economy

Role of Planning: Planning plays a very important role in an economy, especially in countries where resources are limited and needs are many. It helps in efficient allocation of resources so that production can be increased and the benefits reach all sections of society. Through planning, governments can decide what to produce, how to produce, and for whom to produce in a systematic way.

Planning also helps in reducing inequalities by providing basic services like education, healthcare, and housing to everyone. It encourages balanced regional development, avoids wastage of resources, and guides the economy toward steady growth and stability. In short, planning ensures that limited resources are used wisely to achieve the maximum welfare of the people.

Advantages of a Socialist Economy (Planned Economy)

1. **Reduces Inequality:** Since the government controls resources, it can ensure that basic needs like food, healthcare, and education are available to all, reducing the gap between rich and poor.
2. **Focus on Public Welfare:** Production and distribution are guided by social priorities rather than profit, so the economy focuses on benefiting society as a whole.
3. **Efficient Use of Resources:** Through careful planning, resources are allocated to priority sectors, avoiding wastage and ensuring maximum output.
4. **Economic Stability:** Planning helps prevent sudden fluctuations in production, prices, and employment, providing stable economic growth.
5. **Balanced Regional Development:** The government can direct investment to underdeveloped regions, ensuring all areas grow together and reducing regional inequalities.

Overall, a planned economy aims to ensure fairness, social justice, and maximum welfare for all members of society.

Limitations of a Planned Economy (Socialist Economy)

1. **Lack of Incentives:** Since profits and rewards are often limited, individuals and businesses may have less motivation to work hard or innovate, which can reduce efficiency.
2. **Inefficiency:** Centralized planning can lead to overproduction of some goods and shortage of others, as government plans may not always match actual demand.
3. **Slow Decision-Making:** Government-controlled systems can be bureaucratic, causing delays in production, distribution, and responding to changes in consumer needs.
4. **Limited Consumer Choice:** People have fewer options because production is guided by government plans rather than consumer preferences.
5. **Risk of Government Errors:** Poor planning or mismanagement by the government can lead to wastage of resources and economic stagnation.

Despite these limitations, a planned economy focuses on equity, social welfare, and stability, which are important for the well-being of society.

Mixed Economy

A mixed economy is a combination of a market economy (capitalist) and a planned economy (socialist). In this system, both private individuals and the government play a role in economic decisions. The private sector produces goods and services for profit, while the government regulates certain industries and provides essential services to ensure social welfare and equity.

For example, in India, private companies produce cars, clothes, and electronics, but the government runs

schools, hospitals, and railways. A mixed economy balances efficiency with fairness — the market encourages competition and innovation, while government intervention ensures basic needs are met, inequalities are reduced, and resources are used responsibly.

Advantages of a Mixed Economy

1. Combines the efficiency of the market with social welfare provided by the government.
2. Reduces inequality while promoting growth and innovation.
3. Flexible in responding to changes in the economy.

Limitations

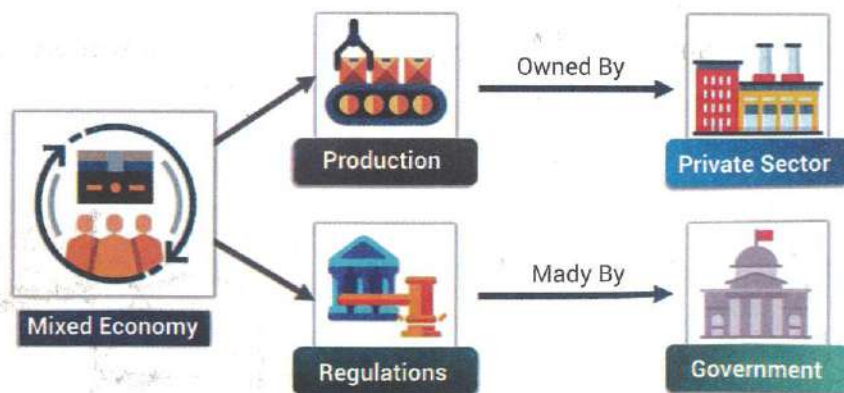
1. Conflicts can arise between government control and private business interests.
2. Too much regulation may reduce efficiency, while too little can increase inequality.

In short, a mixed economy aims to achieve both economic growth and social justice.

Role of Government in a Mixed Economy

In a mixed economy, the government plays an important role alongside private individuals and businesses to ensure that the economy works efficiently and fairly. The main roles of the government include:

1. **Providing Public Goods and Services:** The government supplies essential services like education, healthcare, roads, and electricity that may not be provided adequately by private businesses.
2. **Regulating the Market:** It makes laws and rules to prevent unfair practices, monopolies, and exploitation of consumers, ensuring that businesses operate fairly.
3. **Reducing Inequality:** Through taxation, subsidies, and social welfare schemes, the government helps reduce the gap between the rich and the poor.
4. **Economic Stability and Growth:** The government plans and invests in key sectors to maintain steady economic growth, control inflation, and reduce unemployment.
5. **Protecting Resources and Environment:** It ensures sustainable use of natural resources and enforces environmental laws to prevent overuse and pollution.



Services in Mixed Economy

In short, the government in a mixed economy balances the efficiency of the market with social welfare, making sure that economic growth benefits all sections of society.

Table: Comparison of Economic Systems

Feature	Market Economy	Planned Economy	Mixed Economy
Decision-making	Individuals	Government	Both
Ownership	Private	State	Both
Focus	Efficiency	Equality	Balance
Flexibility	High	Low	Moderate

8.6 WELFARE ECONOMY

A welfare economy is an economic system or approach in which the main aim of all economic activities is the well-being and happiness of the people. It focuses not only on increasing production and income but also on improving the standard of living of every citizen. In a welfare economy, growth is important, but equal importance is given to fair distribution of resources, reduction of poverty, and social justice. The idea is that economic progress should benefit all sections of society, not just a few rich people.



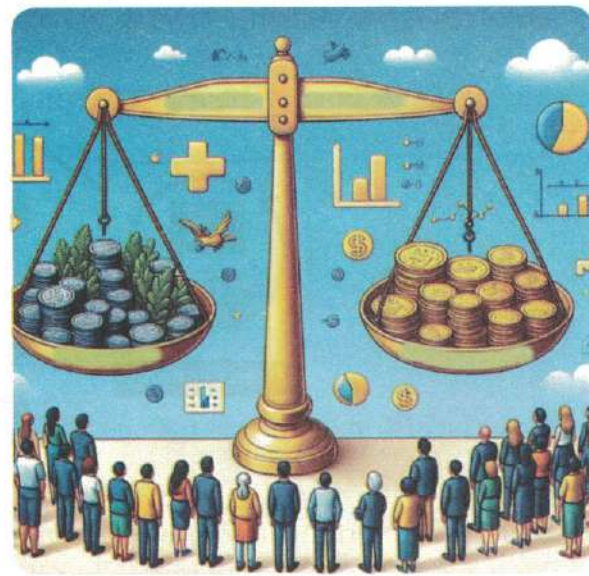
Welfare Economy

In a welfare economy, the government plays a major role in providing basic needs and public services such as education, healthcare, housing, sanitation, transport, and social security. It introduces schemes like scholarships, pensions, subsidies, and employment programs to support weaker sections of society. The government also makes laws to protect workers' rights, control pollution, and prevent unfair business practices. By collecting taxes and using them for public welfare, the government tries to reduce inequality and create equal opportunities for everyone.

Thus, a welfare economy aims at balanced and inclusive development. It encourages economic growth along with human development, environmental protection, and social equality. The success of a welfare economy is measured not only by national income but also by factors like literacy rate, health conditions, employment, and quality of life. In simple words, a welfare economy ensures that economic progress leads to the overall welfare and happiness of the entire society.

Role of Resources in a Welfare Economy: Resources play a very important role in a welfare economy because they are the basic means through which goods and services are produced for the benefit of society. Natural resources, human resources, and capital resources must be used efficiently and responsibly so that the needs of the present population are met without harming future generations. Proper use of resources helps in providing essential facilities like food, education, healthcare, housing, and transportation to all citizens.

In a welfare economy, the government ensures that resources are distributed fairly and not concentrated in the hands of a few people. It plans and manages resources in such a way that weaker sections of society also receive



Allocation of Resources

equal opportunities and basic necessities. Sustainable use of resources, prevention of wastage, and balanced regional development are key goals. Thus, wise management of resources helps in achieving social justice, equality, and overall well-being of the people.

Distribution and Welfare Economy: Distribution plays a key role in a welfare economy because it decides how goods, services, income, and resources are shared among the people of a country. In a welfare economy, the objective is not only to produce more but also to ensure that the benefits of production reach all sections of society, especially the poor and weaker groups. Fair distribution helps reduce the gap between the rich and the poor and promotes social equality.

To achieve proper distribution, the government uses measures such as taxation, subsidies, public distribution systems, free or low-cost education and healthcare, pensions, and employment schemes. These steps help provide basic needs and equal opportunities to everyone. Thus, just and balanced distribution is essential in a welfare economy because it leads to social justice, improved standard of living, and overall well-being of the population.

Atma Nirbhar Bharat mission launched by Government of India is the welcome move for making India independent.

Terms

Economics	: the study of how people and societies use limited resources to satisfy unlimited wants
Resources	: inputs used to produce goods and services such as land, labour, capital, and entrepreneurship
Scarcity	: a situation where resources are limited but human wants are unlimited
Human Wants	: desires or needs of people that keep increasing and are never fully satisfied
Choice	: the act of selecting one option among many due to limited resources
Opportunity Cost	: the value of the next best alternative that is sacrificed when a choice is made
Economists	: experts who study economic activities and suggest policies for growth and welfare
Central Problems of an Economy	: the three basic questions — what to produce, how to produce, and for whom to produce
Economic System	: the method a country uses to organise production, distribution, and consumption of goods and services

Capitalist Economy (Market Economy)	: an economy where private individuals own resources and market forces decide production and prices
Socialist Economy (Planned Economy)	: an economy where the government owns and controls most resources and decisions
Mixed Economy	: an economy where both government and private sector share economic decisions
Demand	: the quantity of a good or service consumers are willing and able to buy at a given price
Supply	: the quantity of a good or service producers are willing and able to sell at a given price
Market	: a place or system where buyers and sellers interact to exchange goods and services
Planning	: a systematic process of allocating resources and setting economic goals by the government
Public Goods	: goods and services provided by the government for the benefit of all, like roads and parks
Welfare Economy	: an economy focused on improving the well-being and standard of living of all citizens
Distribution	: the way income, goods, and services are shared among people in a society
Inequality	: unequal distribution of income or resources among people
Social Justice	: fair and equal treatment of all individuals in society
Sustainable Development	: using resources wisely today without harming the needs of future generations

Structure

- Economics studies how limited resources are used to satisfy unlimited human wants.
- Resources (land, labour, capital, entrepreneurship) are limited, which creates scarcity.
- Human wants are unlimited and keep increasing with time and lifestyle.
- Scarcity forces individuals and societies to make choices.
- Every choice involves an opportunity cost — the next best alternative sacrificed.
- Economists analyse economic problems and guide governments and organisations in decision-making.
- Due to scarcity, every economy faces three central problems: What to produce? How to produce? For whom to produce?
- Different countries follow different economic systems to solve these problems:
- Capitalist Economy: Private ownership, market forces decide production and prices.
- Socialist Economy: Government ownership and planning control production and distribution.
- Mixed Economy: Combination of private sector and government participation.
- Demand and Supply determine prices and production in a market economy.
- Planning helps in efficient use of resources and balanced development.

- A Welfare Economy focuses on the overall well-being of society, not just profit or growth.
- Fair distribution of resources and income is important to reduce inequality.
- The ultimate goal of economics is social welfare, improved standard of living, and sustainable development.

Exercises

I. Multiple Choice Questions

- Economics is the study of:
 - History
 - Limited resources and unlimited wants
 - Science experiments
 - Geography
- Scarcity means:
 - Resources are unlimited
 - Wants are limited
 - Resources are limited
 - Goods are free
- The next best alternative sacrificed is called:
 - Demand
 - Supply
 - Opportunity Cost
 - Profit
- Human wants are:
 - Limited
 - Unlimited
 - Fixed
 - Decreasing
- The three central problems of an economy include all except:
 - What to produce
 - How to produce
 - Where to produce
 - For whom to produce
- In a capitalist economy, resources are mainly owned by:
 - Government
 - Private individuals
 - Foreign countries
 - Schools
- India follows which type of economic system?
 - Socialist
 - Capitalist
 - Mixed
 - Traditional
- Demand refers to:
 - Goods produced
 - Goods sold
 - Willingness and ability to buy
 - Taxes collected
- A welfare economy mainly focuses on:
 - Profit only
 - Military power
 - Well-being of people
 - Export only
- Labour-intensive method uses more:
 - Machines
 - Human effort
 - Capital
 - Land
- Which of the following is the correct match?

Column I	Column II
(i) Scarcity	(a) Next best alternative sacrificed
(ii) Opportunity Cost	(b) Limited resources
(iii) Capitalist Economy	(c) Private ownership
(iv) Welfare Economy	(d) Well-being of people

II. Assertion-Reason Questions

Two statements are given as Assertion (A) and Reason(R). Study the statements carefully and identify the correct alternative:

- (a) Both (A) and (R) are true and (R) is the correct explanation of (A).
- (b) Both (A) and (R) are true but (R) is not the correct explanation of (A).
- (c) (A) is true but (R) is false.
- (d) (A) is false but (R) is true.

1. **Assertion (A):** Scarcity leads to economic problems.

Reason (R): Resources are limited while wants are unlimited.

2. **Assertion (A):** Opportunity cost exists even when resources are unlimited.

Reason (R): Choice involves sacrifice.

3. **Assertion (A):** In a socialist economy, the government controls production.

Reason (R): The aim is to ensure social welfare and equality.

4. **Assertion (A):** Demand and supply decide prices in a market economy.

Reason (R): Government fixes all prices in a capitalist system.

5. **Assertion (A):** A welfare economy focuses on human development.

Reason (R): Only national income is considered important.

III. Fill in the blanks

1. Limited resources and unlimited wants create
2. The value of the next best alternative is called
3. The three central problems are what, how, and to produce.
4. India follows a economy.
5. An economy focused on well-being of people is called a economy.

IV. Write True or False for the below statements.

1. Scarcity is the basic economic problem and the starting point of all economic study.
2. Choice arises due to scarcity.
3. In a capitalist economy, the government owns all resources.
4. Demand means willingness and ability to buy goods.
5. A welfare economy ignores social justice.

I. Multiple Choice Questions

1. A government decides to build a highway instead of a sports stadium due to limited funds. This situation best represents:
(a) Demand (b) Opportunity Cost (c) Supply (d) Distribution
 2. If resources were unlimited, which concept would lose its relevance?
(a) Welfare (b) Choice (c) Production (d) Consumption
 3. A farmer choosing between growing wheat or cotton is mainly facing:
(a) Inflation (b) Central problem of "for whom to produce"
(c) Scarcity and choice (d) Public goods
 4. Which feature best distinguishes a mixed economy from a capitalist economy?
(a) Absence of private ownership (b) Complete government control
(c) Co-existence of public and private sectors (d) No taxation
 5. When the price of a product rises due to shortage, it reflects:
(a) Excess supply (b) Demand–supply interaction
(c) Welfare policy (d) Labour surplus
 6. A country focusing more on free education and healthcare than luxury goods is emphasizing:
(a) Capital accumulation (b) Welfare orientation
(c) Profit maximization (d) Consumer monopoly
-
7. The question "Should we use more machines or more workers?" relates to:
(a) What to produce (b) How to produce
(c) For whom to produce (d) Where to produce
 8. Which situation shows opportunity cost in terms of time rather than money?
(a) Buying shoes instead of a bag
(b) Saving money in a bank
(c) Watching a match instead of preparing for an exam
(d) Paying school fees
 9. In which system are consumer preferences least influential?
(a) Mixed economy (b) Capitalist economy
(c) Socialist economy (d) Open economy
 10. The ultimate indicator of success in a welfare economy is:
(a) Export volume (b) Number of factories
(c) Quality of life of citizens (d) Size of the military

II. Assertion-Reason Questions

Two statements are given as Assertion (A) and Reason(R). Study the statements carefully and identify the correct alternative:

- (a) Both (A) and (R) are true and (R) is the correct explanation of (A).
 - (b) Both (A) and (R) are true but (R) is not the correct explanation of (A).
 - (c) (A) is true but (R) is false.
 - (d) (A) is false but (R) is true.
1. **Assertion (A):** Scarcity exists even in wealthy nations.
Reason (R): Human wants expand with income and lifestyle.
 2. **Assertion (A):** Opportunity cost is always measured in money.
Reason (R): All economic decisions involve financial sacrifice only.
 3. **Assertion (A):** A mixed economy tries to balance growth with equity.
Reason (R): It allows both market freedom and government intervention.
 4. **Assertion (A):** In a market economy, prices remain fixed for long periods.
Reason (R): Demand and supply constantly change.
 5. **Assertion (A):** Welfare policies can reduce inequality.
Reason (R): They provide equal income to every citizen regardless of work

III. Fill in the blanks

1. The conflict between unlimited wants and limited means is called
2. The method using more technology than human effort is intensive.
3. Goods provided by the government for collective use are known as goods.
4. Giving up a cinema ticket to buy a textbook shows
5. Balanced regional growth is a major aim of economic

IV. Write True or False for the below statements

1. Scarcity disappears when production increases slightly.
2. Demand requires both willingness and purchasing power.
3. A socialist economy ignores social welfare.
4. Opportunity cost exists only for governments.
5. Welfare economy measures success beyond national income.

V. Very Short Answer Type Questions

1. Why can scarcity never be completely eliminated?
2. State one example where opportunity cost is not measured in money.
3. Which central economic problem deals with distribution?
4. Name one public good provided by governments.
5. What is the key aim of a welfare-oriented policy?

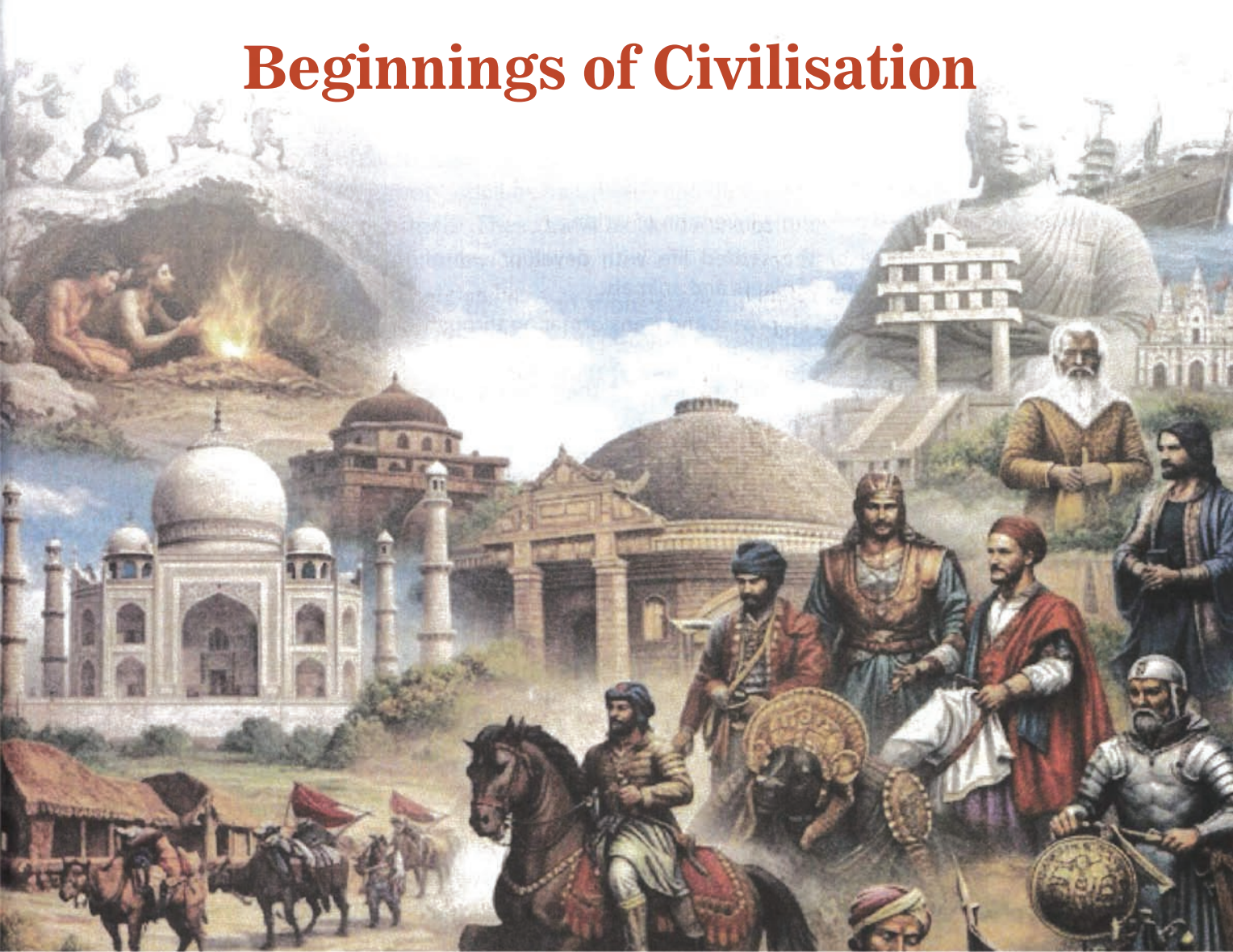
VI. Short Answer Type Questions

1. How does rising income increase the problem of scarcity instead of reducing it?
2. Explain how opportunity cost influences student decisions in daily life.
3. Why is consumer sovereignty stronger in a capitalist economy?
4. How does planning help prevent regional imbalance?
5. In what way does a mixed economy attempt to combine efficiency and equity?

VII. Long Answer Type Questions

1. Analyse how scarcity leads to the central economic problems and the need for economic systems.
2. Evaluate the role of opportunity cost in both personal and national decision-making.
3. Compare the impact of demand and supply in capitalist and mixed economies.
4. Discuss how welfare policies contribute to human development beyond income growth.
5. Examine the advantages and challenges of government intervention in a mixed economy.

Beginnings of Civilisation



Introduction

Civilisation is not the result of a sudden change but the outcome of a long and gradual process of human development. In the earliest stages of human history, people lived a very simple life and depended completely on nature for their survival. They did not know how to grow food or build permanent houses. About two million years ago, early humans lived as hunter-gatherers. They hunted wild animals and collected fruits, roots, seeds, and nuts from forests to meet their daily needs.

With the passage of time, humans began to observe nature closely and learn from their surroundings. They discovered how to make tools from stone, bone, and wood, which made hunting and food gathering easier. One of the most important achievements of early humans was the discovery and control of fire. Fire helped them cook food, keep warm during cold weather, and protect themselves from wild animals.

Gradually, humans learned how to grow crops and domesticate animals. This brought a major change in their way of life. People no longer needed to move constantly in search of food and began to live in permanent settlements. As agriculture improved, villages developed, which later grew into towns and cities. These changes led to the emergence of early civilisations with organised societies, trade, and governance. This chapter traces the journey of humans from prehistoric times to the rise of the first civilisations of the world.

4.1 CULTURAL DEVELOPMENT FROM 2 MILLION YEARS AGO

Cultural development refers to the gradual changes in human lifestyle, behaviour, tools, beliefs, and social organisation over a long period of time. Around two million years ago, early humans lived a very basic life and depended entirely on natural resources. They had no knowledge of farming or animal domestication. Their survival depended on hunting animals and gathering edible plants from forests and grasslands.

Early humans lived in small groups for safety and cooperation. Living in groups helped them protect themselves from wild animals and share food. They used simple stone tools, such as hand-axes and choppers, to cut meat, dig roots, and hunt animals. These tools marked the beginning of human technological development.

Over time, humans began to make better and more efficient tools, which improved their ability to survive. The use of fire played a crucial role in cultural development. Fire allowed humans to cook food, which made it easier to digest and healthier to eat. It also provided light and warmth and helped humans settle in colder regions.

Another important aspect of cultural development was the development of language and communication. Early humans used sounds, gestures, and later simple words to express their thoughts and coordinate activities such as hunting. This improved cooperation and strengthened social bonds within groups.

As humans learned to work together, they developed a sense of community and shared responsibilities. They also began to express their ideas and beliefs through art, such as cave paintings, which show scenes of animals and hunting. These paintings suggest that early humans had religious beliefs and respected nature.

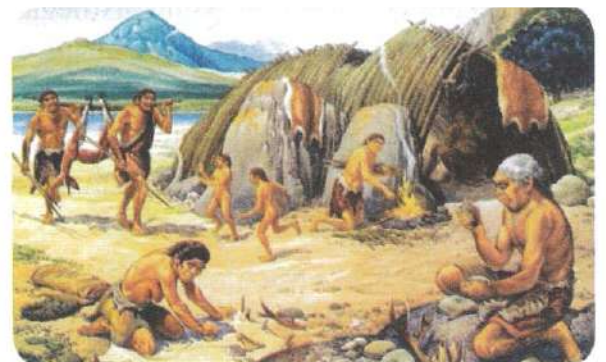
Thus, cultural development helped humans adapt to their environment and gradually move towards a more organised way of life. These early developments laid the foundation for settled life, agriculture, and civilisation in later periods.

4.2 EARLY HUMAN HISTORY

The Human history is divided into two broad periods—**prehistory** and **history**. This division is based on the availability of written records. Writing plays an important role in helping us understand the past, but for a very long time, human beings lived without the knowledge of writing.



Fig. 4.1. Life of prehistoric people



Prehistoric, the time before written records

Prehistory refers to the long period of human existence before the invention of writing. Since no written records are available for this period, historians and archaeologists depend on archaeological evidence to study prehistoric life. Such evidence includes stone tools, fossils, bones, cave paintings, and remains of early shelters. These remains provide valuable information about how early humans lived, what they ate, the tools they used, and how they adapted to their environment.

The period of **history** begins with the invention of writing. Written records such as inscriptions, manuscripts, and documents help historians understand past events more clearly and accurately. Writing made it possible to record laws, trade, religious beliefs, and administrative activities, which marked an important step in human development.

The study of prehistoric life is carried out through a branch of knowledge called **archaeology**. Archaeologists carefully excavate ancient sites and study material remains to reconstruct the life of early humans. Through archaeology, we learn about human evolution, early cultures, and the gradual progress of human society from a simple to a more complex form.



Fig. 4.3. Invention of writing

4.3 PERIODISATION: ARCHAEOLOGICAL AGES

To understand the long and complex history of prehistoric humans, archaeologists divide prehistoric time into different periods. This method of dividing history into phases is called **periodisation**. Periodisation helps historians study human development in a systematic and organised manner.

The prehistoric period is mainly divided on the basis of the tools used by early humans, especially stone tools, as stone was the most commonly used material during early times. On this basis, prehistoric time is divided into three major ages:

- ◆ **Palaeolithic Age (Old Stone Age):** This was the earliest stage of human history. Humans lived as hunter-gatherers and used rough and simple stone tools. They lived in caves or temporary shelters and depended completely on nature for survival.
- ◆ **Mesolithic Age (Middle Stone Age):** This age marked a transitional phase between hunting-gathering and farming. Humans began to use smaller and sharper stone tools called microliths. They started fishing and domesticating animals, though agriculture was not fully developed.
- ◆ **Neolithic Age (New Stone Age):** This was a major turning point in human history. Humans began practising agriculture and living in permanent settlements. Polished stone tools were used, pottery and weaving developed, and animals were domesticated. This age laid the foundation for settled life and civilisation.

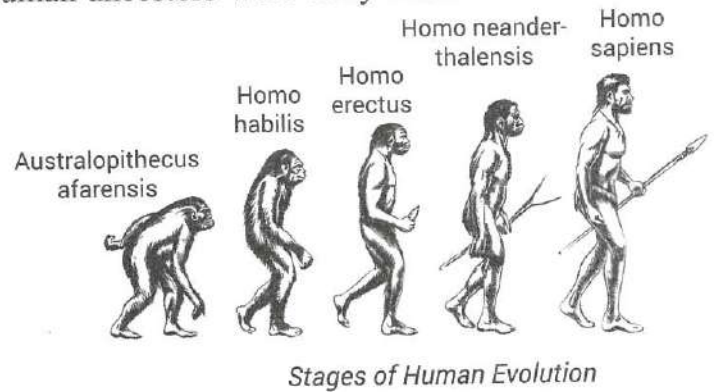
Each of these archaeological ages shows progress in human skills, technology, and way of life. Periodisation helps us understand how human beings slowly advanced from a simple hunting-gathering lifestyle to a settled and organised society.

4.4 WHO WERE HUMAN ANCESTORS?

Human beings did not appear suddenly in their present form. They evolved over millions of years through a gradual process known as evolution. Human ancestors were early forms of humans who slowly developed physical strength, intelligence, and skills needed for survival. These ancestors adapted themselves to changing natural conditions and learned to use natural resources effectively.

Australopithecus was one of the earliest human ancestors. It could walk upright on two legs, which freed its hands for other activities such as carrying food and using tools. This was an important step in human evolution. **Homo habilis**, meaning “handy man,” was the first ancestor known to make simple stone tools. These tools helped in cutting meat and gathering food. **Homo erectus** was more advanced and discovered the use of fire. Fire helped humans cook food, keep warm, and protect themselves from wild animals.

Homo sapiens, or modern humans, developed higher intelligence, better communication skills, and complex social behaviour. They learned to think, plan, and express ideas through language and art. These gradual developments in physical and mental abilities enabled humans to survive in different environments and progress towards civilisation.



4.5 PALAEOLITHIC AGE: HUNTER-GATHERERS AND STONE TOOLS

The Palaeolithic Age, also known as the Old Stone Age, was the earliest phase of human history. During this period, humans lived as hunter-gatherers. They depended completely on nature for their food and survival. They hunted wild animals and gathered fruits, roots, nuts, berries, and seeds from forests. People of this age did not have permanent homes. They lived in caves, rock shelters, or open areas and moved from place to place in search of food. Their tools were made mainly of stone and were rough and simple in shape. Common tools included hand-axes, choppers, and scrapers, which were used for cutting meat, skinning animals, digging roots, and protecting themselves.

One of the most important achievements of Palaeolithic humans was the discovery of fire. Fire helped them cook food, which made it easier to eat and digest. It also provided warmth during cold weather and protected them from wild animals.



Fig. 4.5. Stone Age tools



Discovery of fire

Cave paintings found in different parts of the world show animals, hunting scenes, and symbols. These paintings suggest that early humans had artistic skills and religious beliefs.

4.6 MESOLITHIC AGE: TRANSITION TO FOOD PRODUCTION

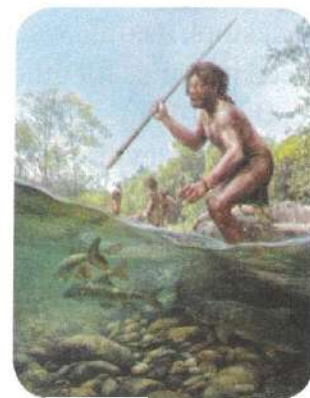
The Mesolithic Age, or Middle Stone Age, marked a transitional phase in human history. During this period, humans continued hunting and gathering but also began to explore new ways of obtaining food. Fishing became more common, and humans started domesticating animals such as dogs.



Fig. 4.8. Microliths used during the Mesolithic Age

Tools improved in size and quality. Humans used small, sharp stone tools known as microliths. These were often fixed to wooden or bone handles to make arrows, spears, and sickles. These improved tools made hunting and food collection more efficient.

People began to live in temporary or seasonal settlements, especially near rivers, lakes, and coastal areas where food was easily available. This period marked the early steps towards food production, which later developed fully in the Neolithic Age.



Mesolithic hunter fishing at a river

4.7 MESOLITHIC SITES AND TOOLS

Archaeological evidence shows that Mesolithic sites existed in many parts of the world, including India, Africa, and Europe. These sites provide valuable information about the lifestyle of Mesolithic people.

The tools of this age included arrowheads, blades, scrapers, and sickles. These tools were smaller, sharper, and more effective than those of the Palaeolithic Age. The improvement in tools helped humans hunt animals more efficiently and gather plant food with greater ease.

The Mesolithic Age shows a gradual shift from complete dependence on nature towards greater control over food resources. It was during this period that humans began to understand animal behaviour, leading to the early domestication of animals.



Fig. 4.9. Mesolithic rare arrowheads

4.8 NEOLITHIC AGE: BEGINNING OF FARMING

The Neolithic Age, or New Stone Age, marked a major turning point in human history. During this period, humans learned the art of agriculture. They began growing crops such as wheat, barley, rice, and millet. Along with farming, humans domesticated animals like sheep, goats, cattle, and dogs.



Fig. 4.10. Neolithic Age farming

As a result, humans no longer needed to move constantly in search of food. They began living in permanent settlements and built houses using mud, wood, and stone. Tools became more advanced and were polished for better use. Pottery was made for storing food, and weaving was practised to make clothes.

The Neolithic Age laid the foundation of settled life, leading to the development of villages and stable communities.

4.9 THE NEOLITHIC REVOLUTION

The Neolithic Revolution refers to the important change in human life from food gathering to food production. This revolution brought about several major changes in society. A stable and regular supply of food led to population growth. People could now store surplus food for future use.

With surplus food available, not everyone needed to farm. This led to the specialisation of labour, where people took up different occupations such as farming, pottery making, weaving, tool making, and trade. Villages slowly grew into towns, and social organisation became more complex.

The Neolithic Revolution played a crucial role in the development of civilisation, as it led to the growth of economy, trade, social classes, and organised communities.



Fig. 4.11. Neolithic Age settlement

4.10 DOMESTICATION OF PLANTS AND ANIMALS

Domestication means the process by which humans **grow plants and tame animals** for their own use. This was one of the most important developments in human history. Early humans observed plants and animals closely and learned which plants could be grown and which animals could be tamed. As a result, they began cultivating crops such as wheat, barley, rice, and millet. At the same time, animals like sheep, goats, cattle, and dogs were domesticated.

Domestication brought a major change in human life. Instead of depending entirely on hunting and

gathering, humans now had a **regular and reliable supply of food**. Farming provided grains, while domesticated animals supplied milk, meat, wool, and help in farming activities. This led to **diverse food habits** and improved nutrition.

The availability of surplus food meant that people could store food for future use. Not everyone needed to produce food, so some people began practising other occupations such as pottery making, weaving, tool making, and trading. This encouraged **trade and the development of crafts**, which strengthened the economy and helped societies grow more organised and stable.

4.11 HARAPPAN AND CONTEMPORARY CULTURES

The Harappan civilisation was one of the earliest and most advanced **urban civilisations** of the ancient world. It developed in the north-western parts of the Indian subcontinent. The Harappans were known for their **well-planned cities**, which had straight roads laid out in a grid pattern. Houses were built with baked bricks, and cities had an advanced **drainage system**, showing a high level of planning and cleanliness.

The Harappans were skilled craftsmen. They made pottery, beads, seals, and metal tools. **Trade played an important role** in their economy. Evidence shows that the Harappans traded with nearby regions as well as distant lands. Seals were used to mark goods and indicate ownership.

Along with the Harappan civilisation, **other contemporary cultures** developed in different regions of the world. These cultures also practised agriculture, domesticated animals, and developed tools and crafts. Together, these early cultures contributed to the growth of civilisation by developing organised societies, economic activities, and cultural traditions.

4.12 ANCIENT RIVER-VALLEY CIVILISATIONS

The earliest civilisations of the world developed along river valleys. Rivers played a very important role in human life because they provided **fertile soil, water for irrigation, and easy means of transport**. The regular flooding of rivers deposited rich alluvial soil on the riverbanks, which helped in the growth of crops. As agriculture improved, people were able to produce surplus food, leading to population growth and the development of towns and cities.

River valleys also served as natural routes for trade and communication. Boats could be used to transport goods and people, which helped in the exchange of ideas, culture, and technology. As a result, organised

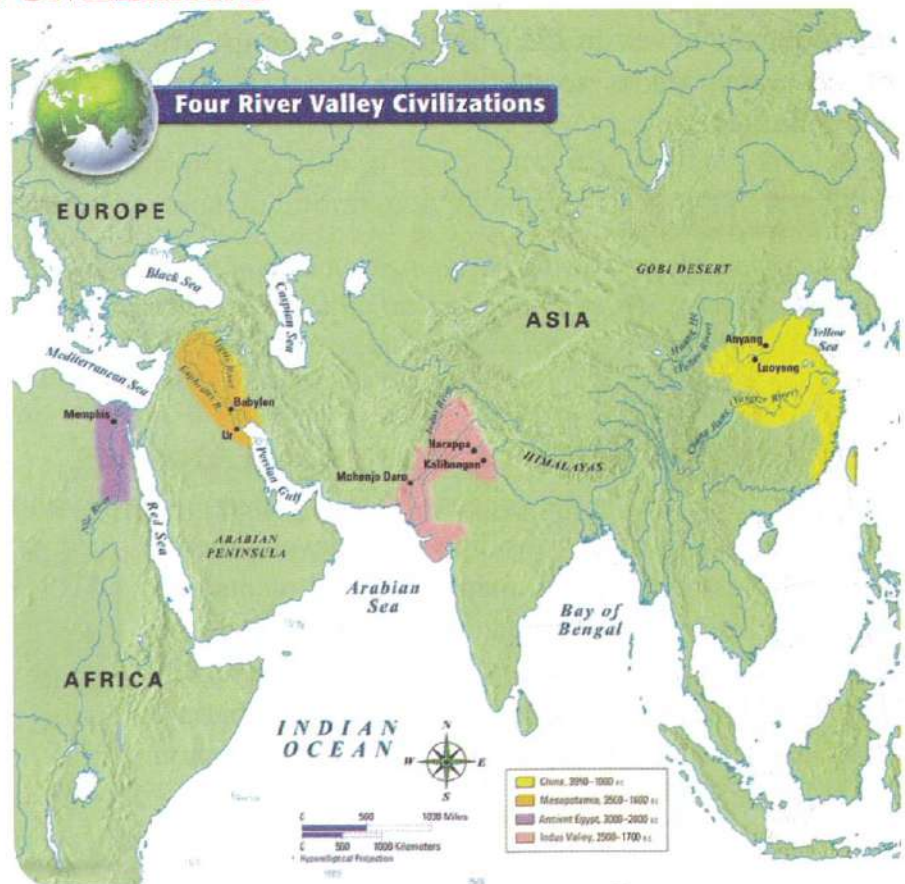


Fig. 4.13. Four River Valley Civilisations

societies with administration, laws, religion, and social structure gradually developed. Some of the most important ancient river-valley civilisations were the Mesopotamian, Egyptian, and Chinese civilisations.

The **Mesopotamian civilisation** developed between the rivers Tigris and Euphrates in present-day Iraq. The word “Mesopotamia” means “the land between two rivers.” This civilisation is often called the cradle of civilisation because it was one of the earliest to develop cities. The Mesopotamians built large cities such as Ur and Babylon. They developed one of the earliest writing systems known as cuneiform, which was used to keep records of trade, laws, and religious activities. They also created law codes to maintain justice and order in society. Agriculture, trade, and skilled craftsmanship formed the basis of their economy.



Fig. 4.14. Ruins of the Mesopotamian civilisation

The **Egyptian civilisation** developed along the banks of the River Nile in north-eastern Africa. The Nile River was the lifeline of Egyptian civilisation. Its annual floods made the surrounding land fertile and suitable for agriculture. The Egyptians grew crops such as wheat and barley and depended heavily on farming. Egyptian society was ruled by kings known as Pharaohs, who were considered divine rulers. Religion played a very important role in Egyptian life. The Egyptians believed in life after death and built magnificent monuments such as pyramids and temples. They also made progress in architecture, medicine, mathematics, and art.



Fig. 4.15. Egyptian pyramids in Giza, a wonder of the world

The **Chinese civilisation** developed along the Yellow River, also known as the Huang He. The river provided fertile land but also caused destructive floods, which made life difficult. Despite these challenges, the Chinese developed a strong and organised society. Agriculture was the main occupation, and crops such as millet and rice were grown. The Chinese made important contributions in silk production, pottery, bronze tools, and early writing. Family ties, respect for elders, and traditions played an important role in Chinese society.

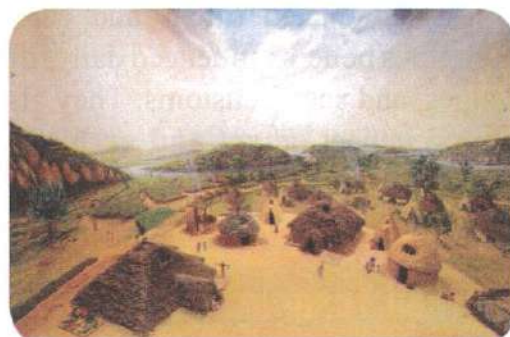


Fig. 4.16. Yellow River Valley Civilisation

4.13 SOCIAL, POLITICAL, AND RELIGIOUS STRUCTURES

Early civilisations developed well-organised **social, political, and religious systems** to manage their growing populations and complex ways of life. As societies became larger and more settled, clear divisions of work and authority emerged.

Social Structure: The social structure of early civilisations was based on **division of labour**. Society was divided into different groups according to occupation. Farmers formed the largest group, as agriculture was the main occupation. Artisans and craftsmen produced tools, pottery, jewellery, and other goods. Traders were responsible for the exchange of goods within and outside the region. Priests held an important position in society, as they performed religious rituals and were believed to communicate with the gods. At the top of the social structure were rulers and nobles, who controlled land and resources.

This division of society helped in the smooth functioning of daily life and economic activities. Over time, social differences became more noticeable, leading to the formation of social classes.

Political Structure: The political system of early civilisations was centred on **strong rulers or kings**. Kings were responsible for maintaining law and order, protecting the kingdom, collecting taxes, and organising public works such as irrigation canals, roads, and buildings. They were assisted by administrators and officials who helped in governing the state.

In many civilisations, kingship was hereditary, meaning power was passed from one generation to the next. Laws were made to regulate social behaviour and ensure justice. In some societies, written law codes were introduced to maintain order and discipline.

Religious Structure: Religion played a very important role in the lives of people in early civilisations. People believed in **many gods and goddesses** and worshipped natural forces such as the sun, moon, rivers, rain, and earth. They also believed in spirits and ancestors. Religious practices were closely connected with agriculture, as people prayed for good harvests and protection from natural disasters.

Temples were built as places of worship, and priests conducted rituals and ceremonies. Religious beliefs influenced daily life, moral values, and social customs. They also had a strong impact on **art and architecture**, as seen in temples, monuments, sculptures, and paintings.

Exercises

I. Multiple Choice Questions

- Early humans mainly depended on which activity for survival?
 (a) Trade (b) Agriculture
 (c) Hunting and gathering (d) Industry
- Which of the following marks the beginning of history?
 (a) Use of fire (b) Domestication of animals
 (c) Invention of writing (d) Making stone tools
- Which age is known as the Old Stone Age?
 (a) Mesolithic Age (b) Neolithic Age (c) Chalcolithic Age (d) Palaeolithic Age
- What were microliths?
 (a) Large stone monuments (b) Polished stone tools
 (c) Small, sharp stone tools (d) Metal tools
- Which human ancestor is associated with the discovery of fire?
 (a) Australopithecus (b) Homo habilis (c) Homo erectus (d) Homo sapiens
- The Neolithic Revolution is best described as the.....
 (a) discovery of fire (b) beginning of metal tools
 (c) shift from food gathering to food production (d) growth of cities
- Which of the following crops was grown during the Neolithic Age?
 (a) Cotton (b) Wheat (c) Tea (d) Coffee
- The Harappan civilisation is known for its.....
 (a) nomadic lifestyle (b) cave dwellings
 (c) advanced drainage system (d) hunting practices
- Early river-valley civilisations developed near rivers mainly because.....
 (a) rivers provided defence (b) rivers supplied fertile soil and water
 (c) rivers were easy to cross (d) rivers reduced population
- Match Column A with Column B and choose the correct option:

Column A	Column B
(i) Palaeolithic Age	(a) Beginning of farming
(ii) Mesolithic Age	(b) Use of microliths
(iii) Neolithic Age	(c) Hunter-gatherers
(iv) Homo erectus	(d) Use of fire

- (a) (i)–(c), (ii)–(b), (iii)–(a), (iv)–(d)
 (c) (i)–(c), (ii)–(a), (iii)–(b), (iv)–(d)

- (b) (i)–(b), (ii)–(c), (iii)–(a), (iv)–(d)
 (d) (i)–(a), (ii)–(b), (iii)–(c), (iv)–(d)

II. Assertion-reason questions

Two statements are given as Assertion (A) and Reason(R). Study the statements carefully and identify the correct alternative:

- (a) Both (A) and (R) are true and (R) is the correct explanation of (A).
- (b) Both (A) and (R) are true but (R) is not the correct explanation of (A).
- (c) (A) is true but (R) is false.
- (d) (A) is false but (R) is true.

1. **Assertion (A):** Early humans lived as hunter-gatherers.

Reason (R): They did not know how to grow crops or domesticate animals.

2. **Assertion (A):** The Palaeolithic Age is called the Old Stone Age.

Reason (R): Humans used polished stone tools during this period.

3. **Assertion (A):** The Mesolithic Age is considered a transitional phase.

Reason (R): Humans practised both hunting-gathering and early domestication during this period.

4. **Assertion (A):** Archaeologists divide prehistoric ages on the basis of tools used.

Reason (R): Stone was the most commonly used material in early times.

5. **Assertion (A):** The Neolithic Age marked the beginning of settled life.

Reason (R): Humans began practising agriculture and domesticated animals.

III. Fill in the blanks

1. Early humans depended mainly on for their survival.
2. The period before the invention of writing is known as
3. The study of prehistoric life through material remains is called
4. The Old Stone Age is also known as the Age.
5. Small, sharp stone tools used during the Mesolithic Age are called

IV. Write True or False for the below statements

1. The Neolithic Age marked the beginning of agriculture and permanent settlements.
2. The Neolithic Revolution led to a stable food supply, which contributed to population growth.
3. Domestication of plants and animals reduced the variety of food habits of early humans.
4. Early river-valley civilisations developed mainly along rivers because of fertile soil, water for irrigation, and transport routes.
5. Religion had little influence on the social and political life of early civilisations.

V. Very short answer type questions

1. What is meant by civilisation? How did it develop gradually over time?
2. Explain the term cultural development with reference to early humans.
3. Why were early humans dependent on nature for survival?
4. Distinguish between prehistory and history.
5. What is archaeology? How does it help us understand prehistoric life?

VI. Short answer type questions

1. Describe the main features of cultural development from two million years ago.
2. Explain how early humans lived before the invention of writing.
3. Describe the basis of periodisation of prehistoric ages.
4. Explain the importance of fire in early human life.
5. Describe the tools and lifestyle of Palaeolithic humans.

VII. Long answer type questions

1. Trace the journey of humans from hunter-gatherers to builders of civilisation.
2. Explain cultural development and its role in the growth of civilisation.
3. Describe early human history and the sources used to study it.
4. Explain the archaeological ages and their main characteristics.
5. Describe the evolution of human ancestors and their contributions.

I. Multiple Choice Questions

1. Early humans mainly survived by.....
(a) agriculture (b) trade (c) hunting and gathering (d) industry
2. Which factor best explains why early humans lived in groups?
(a) To practise farming (b) To ensure safety and cooperation
(c) To build cities (d) To develop writing
3. Prehistory is studied mainly through.....
(a) manuscripts (b) inscriptions
(c) archaeological remains (d) government records
4. Archaeologists classify prehistoric ages mainly on the basis of.....
(a) climate change (b) human population (c) type of tools used (d) religious beliefs
5. Which development most clearly marks the Neolithic Age?
(a) Use of caves (b) Discovery of fire
(c) Beginning of agriculture (d) Use of microliths
6. Why is the Mesolithic Age called a transitional phase?
(a) Humans lived only in caves (b) Farming completely replaced hunting
(c) Both hunting-gathering and early domestication existed
(d) Metal tools were introduced
7. Which change directly led to population growth during the Neolithic period?
(a) Cave paintings (b) Stone tools (c) Stable food supply (d) Nomadic lifestyle
8. A village grows into a town mainly because of.....
(a) surplus food and division of labour (b) hunting techniques
(c) use of caves (d) lack of resources
9. Which feature shows that the Harappan civilisation was an urban culture?
(a) Nomadic lifestyle (b) Cave dwellings
(c) Planned cities with drainage (d) Hunting tools

10. Match the following values with their meanings and choose the correct option.

Column A	Column B
(i) Palaeolithic Age	(a) Beginning of farming
(ii) Mesolithic Age	(b) Use of microliths
(iii) Neolithic Age	(c) Hunter-gatherers
(iv) Homo erectus	(d) Use of fire

Options

(a) (i)–(c), (ii)–(b), (iii)–(a), (iv)–(d)

(b) (i)–(b), (ii)–(c), (iii)–(a), (iv)–(d)

(c) (i)–(c), (ii)–(a), (iii)–(b), (iv)–(d)

(d) (i)–(a), (ii)–(b), (iii)–(c), (iv)–(d)

II. Assertion-Reason Questions

Two statements are given as Assertion (A) and Reason (R). Study the statements carefully and identify the correct alternative:

(a) Both (A) and (R) are true and (R) is the correct explanation of (A).

(b) Both (A) and (R) are true but (R) is not the correct explanation of (A).

(c) (A) is true but (R) is false.

(d) (A) is false but (R) is true.

1. **Assertion (A):** The Neolithic Revolution led to population growth.

Reason (R): A stable food supply became available through farming.

2. **Assertion (A):** River valleys were suitable for the development of early civilisations.

Reason (R): Rivers provided fertile soil, water for irrigation, and transport routes.

3. **Assertion (A):** Trade developed in early societies.

Reason (R): Surplus food allowed people to practise occupations other than farming.

4. **Assertion (A):** Religion played an important role in early civilisations.

Reason (R): People worshipped natural forces and believed in gods and ancestors.

5. **Assertion (A):** Writing was present during the prehistoric period.

Reason (R): Archaeologists rely on tools, fossils, cave paintings etc. to study prehistory.

III. Fill in the blanks

- The beginning of agriculture took place during the Age.
- The change from food gathering to food production is known as the Revolution.
- Domestication means the process of plants and taming animals.
- The Harappan civilisation is known for its advanced system.
- Early river-valley civilisations developed near rivers because rivers provided fertile soil and water for

IV. Write True or False for the below statements

- Early humans lived as hunter-gatherers and depended completely on nature for food and survival.
- Prehistory is the period of human history for which written records are available.

3. Archaeologists study prehistoric life by examining tools, fossils, cave paintings, and other material remains.
4. During the Palaeolithic Age, humans used polished stone tools and lived in permanent settlements.
5. The Mesolithic Age is called a transitional phase because humans practised both hunting-gathering and early domestication of animals.

V. Very short answer type questions

1. Why are tools important sources for studying early human history?
2. Who were human ancestors? Name any two and mention one feature of each.
3. Describe the lifestyle of Palaeolithic humans.
4. What were microliths? During which age were they used?
5. Why is the Mesolithic Age considered a transitional period?

VI. Short answer type questions

1. How did the Mesolithic Age differ from the Palaeolithic Age?
2. Explain the significance of microliths in human development.
3. Describe the beginning of agriculture in the Neolithic Age.
4. How did the Neolithic Revolution transform human life?
5. Explain the importance of domestication in early societies.

VII. Long answer type questions

1. Give a detailed account of the Palaeolithic Age.
2. Explain why the Mesolithic Age is called a transitional phase.
3. Describe the Neolithic Age and the beginning of settled life.
4. Explain the causes and effects of the Neolithic Revolution.
5. Discuss the process and importance of domestication of plants and animals

I. Source-based Questions

Read the below source and answer the following questions:

1. During the earliest phase of human history, people lived as hunter-gatherers. They depended completely on nature for food and shelter. Gradually, humans learned to make tools, control fire, and live in groups for safety and cooperation.
 - (a) What type of life did early humans live?
 - (b) Name one natural resource early humans depended on.
 - (c) How did the use of fire help early humans?
2. The Neolithic Age marked a major turning point in human history. Humans began practising agriculture and domesticating animals. This led to permanent settlements, surplus food production, and the growth of villages.
 - (a) Which age is mentioned in the passage?
 - (b) Name one activity that began during this age.
 - (c) How did agriculture change human life?

WORKSHEET

I. Multiple Choice Questions

- Which of the following activities became common during the Mesolithic Age?
(a) Large-scale agriculture (b) Fishing and early domestication
(c) Use of metal tools (d) Construction of cities
- Which factor played the most important role in the development of early settlements?
(a) Discovery of writing (b) Control over fire
(c) Availability of water and fertile land (d) Growth of population
- Which of the following is a feature of the Neolithic Age?
(a) Nomadic lifestyle (b) Use of microliths only
(c) Practice of agriculture and settled life (d) Dependence only on hunting
- Assertion (A):** Early civilisations developed along river valleys.
Reason (R): Rivers provided fertile soil, water for irrigation, and routes for transport.
(a) Both (A) and (R) are true and (R) is the correct explanation of (A).
(b) Both (A) and (R) are true but (R) is not the correct explanation of (A).
(c) (A) is true but (R) is false. (d) (A) is false but (R) is true.

II. Fill in the blanks

- The earliest humans used tools for hunting and cutting.
- The Mesolithic Age is known for the use of small stone tools called
- Permanent settlements became possible after the beginning of
- The Harappan civilisation is considered an example of an early culture.

III. Write True or False for the below statements

- Early humans lived in permanent houses during the Palaeolithic Age.
- The Neolithic Age is associated with the beginning of agriculture.
- River-valley civilisations depended mainly on hunting and gathering.
- Division of labour became more common after the Neolithic Revolution.

IV. Very short answer type questions

- What changes marked the beginning of the Neolithic Age?
- Explain the term Neolithic Revolution.
- What is meant by domestication of plants and animals?
- Mention two features of the Harappan civilisation.
- Why were river valleys suitable for early civilisations?

V. Short answer type questions

- Describe the town planning of the Harappan civilisation.
- Why did early civilisations develop along river valleys?
- Explain the role of agriculture in the growth of early civilisations.
- Describe the social structure of early civilisations.
- Explain the importance of religion in early human societies.

VI. Long answer type questions

- Describe the town planning of the Harappan civilisation.
- Why did early civilisations develop along river valleys?
- Explain the role of agriculture in the growth of early civilisations.
- Describe the social structure of early civilisations.
- Explain the importance of religion in early human societies.



Introduction

Democracy is not merely a form of government but a way of life based on certain values and principles. It shapes the relationship between the state and its citizens by giving people the power to participate in governance. In a democratic system, citizens are not passive subjects; instead, they actively take part in choosing their leaders and influencing public decisions. This participation helps in building a sense of responsibility, equality, and respect among citizens.

Across the world, democracy is preferred over other forms of government because it provides freedom, equality, and opportunities for people to express their views. It allows citizens to question the government, demand accountability, and bring about changes through peaceful means. At the same time, democracy is not always perfect in practice. It faces challenges such as inequality, corruption, and lack of awareness, which may affect its functioning.

6.1 MEANING OF DEMOCRACY

Democracy is a form of government in which the rulers are elected by the people. In such a system, people do not govern directly but choose their representatives through elections. These representatives form the government and take decisions on behalf of the people. The power of the government ultimately rests with the people, who can change their rulers through peaceful means.

A well-known and widely accepted definition of democracy was given by **Abraham Lincoln**, the former President of the United States. He defined democracy as a government “**of the people, by the people, and for the people.**” This definition highlights three important aspects of democracy:

- ◆ *Of the people* means the government is made up of representatives chosen from among the people.
- ◆ *By the people* means the government is elected and controlled by the people.
- ◆ *For the people* means the government works for the welfare and benefit of the people.

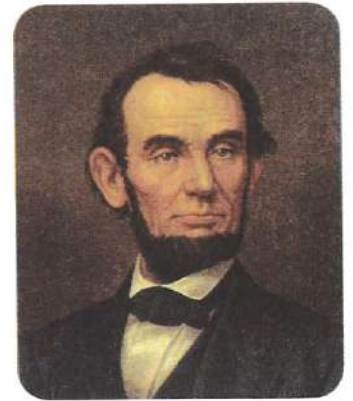


Fig. 6.2. Abraham Lincoln

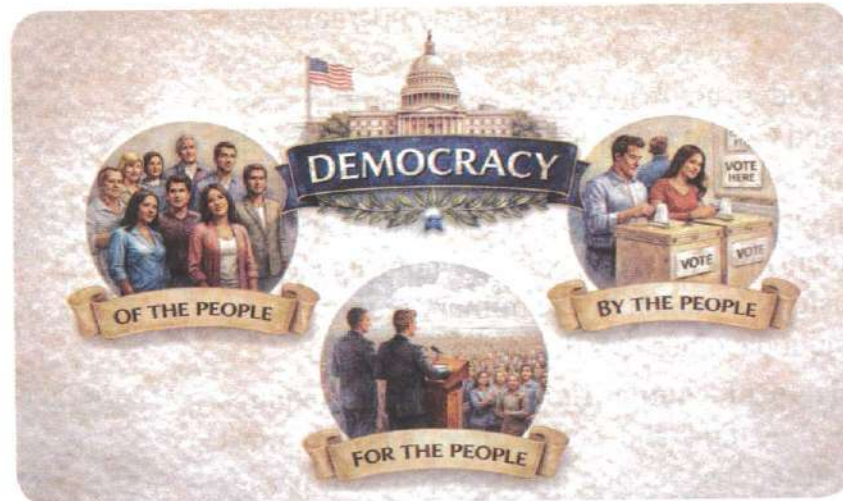


Fig. 6.3. Three important aspects of Democracy

However, this simple definition is not enough to fully understand democracy. Many governments hold elections but still do not allow real participation or freedom to citizens.

Broader Meanings of Democracy

- ◆ **Democracy as a form of government:** In its limited sense, democracy is a form of government in which rulers are elected by the people. In modern times, democracy usually takes the form of **representative democracy**, where people rule through their elected representatives. This system is necessary because modern societies are large, and it is not possible for all citizens to directly take part in decision-making.
- ◆ **Democracy beyond government:** Democracy is not restricted to governments alone. It is also a method of taking decisions in families, schools, organisations, and political parties. When decisions are taken after discussion and consultation, and when everyone’s opinion is given equal importance, the process is considered democratic. Thus, democracy can be applied to many spheres of life.
- ◆ **Democracy as an ideal:** Democracy is also understood as an ideal that societies should aim to achieve. In this sense, democracy is linked with equality, dignity, justice, and participation. No country in the world fully achieves these ideals, but they help us judge existing democracies and identify their weaknesses.
- ◆ **Role of citizens in democracy:** Democracy depends on active participation of citizens. Unlike non-democratic governments, democracy requires citizens to be aware, responsible, and involved in public life. The success of democracy depends not only on rulers but also on what citizens do.

- ◆ **Democracy as a continuous process:** Democracy is not achieved once and for all. It requires constant efforts to strengthen democratic practices. The features of democracy discussed in this chapter describe only the minimum conditions. A good democracy continuously works towards achieving democratic ideals.

6.2 FEATURES OF DEMOCRACY

On the basis of examples and discussion, democracy as a form of government can be understood through the following essential features:

- 1. Major decisions by elected leaders:** In a democracy, final decision-making power rests with representatives elected by the people. These leaders are responsible for framing laws and policies. In **India** and **Canada**, major decisions are taken by the Prime Minister and the Council of Ministers, who are elected members of the legislature. In the **USA**, major decisions are taken by the President and Congress, both of whom are elected. In contrast, if decisions are taken by the military or unelected authorities, as has happened at times in **Russia**, the system becomes less democratic.
- 2. Free and fair electoral competition:** Democracy requires elections that are free, fair, and competitive. Citizens must have the freedom to choose among different political parties and candidates. In **India**, **France**, **USA**, and **Canada**, regular elections are held, and opposition parties are allowed to contest and criticise the government. Voters can remove the ruling party through elections if they are dissatisfied. However, when elections lack real competition or opposition parties face restrictions, democratic values are weakened.
- 3. One Person, One Vote, One Value:** Democracy is based on political equality, where every adult citizen has one vote and each vote has equal value. In **India**, **USA**, **France**, and **Canada**, universal adult franchise ensures that all citizens, regardless of caste, religion, gender, or wealth, can vote. This principle allows equal participation of all citizens in governance. If some groups are denied voting rights or votes are given unequal importance, the system cannot be truly democratic.
- 4. Rule of Law and respect for rights:** A democratic government must function within the limits set by the Constitution and law. In **India**, the Constitution guarantees fundamental rights and an independent judiciary protects these rights. In **USA** and **France**, citizens enjoy freedoms such as speech, expression, and association, protected by law and courts. Even in **Canada**, constitutional laws ensure equality before the law. Where

governments restrict freedoms or ignore constitutional limits, as seen in some cases in **Russia**, democracy becomes weak.

6.3 ROOTS OF DEMOCRACY IN INDIA

India has a long history of democratic traditions that existed much before the establishment of modern democratic institutions. In ancient times, people participated in decision-making through institutions such as **sabhas**, **samitis**, and **ganas**. These assemblies encouraged discussion, consultation, and collective decisions, showing respect for people's opinions and participation in governance.

At the village level, assemblies played an important role in managing local affairs and resolving disputes. Decisions were often taken through consensus, reflecting democratic values such as equality, cooperation, and shared responsibility. These practices helped develop a culture of participation and dialogue among the people.

These early democratic traditions influenced modern democracy in India by shaping the idea that governance should involve the participation of citizens. The emphasis on consultation and collective decision-making is reflected today in democratic institutions such as elected legislatures and local self-government bodies. Modern Indian democracy draws inspiration from these traditions by promoting inclusive participation, accountability, and respect for diverse opinions.

Thus, India's democracy is not only a modern political system but also a continuation of its rich tradition of participatory governance.

6.4 TYPES OF DEMOCRACY

Democracy can take different forms depending on how people participate in the process of governance and how power is distributed within the government. Over time, different countries have adopted different types of democratic systems according to their population size, political needs, and constitutional arrangements. Broadly, democracy can be classified into—**direct democracy** and **indirect (Representative) democracy**. In the modern world, representative democracy is the most commonly practised form.

Direct democracy is a system in which citizens directly participate in decision-making. People themselves discuss issues and take decisions without electing representatives. This form of democracy is practical only in small communities where the population is limited and citizens can meet easily. In modern nation-states with large populations, direct democracy is not feasible at the national level. However, some elements of direct democracy can still be seen in practices such as referendums and public consultations.

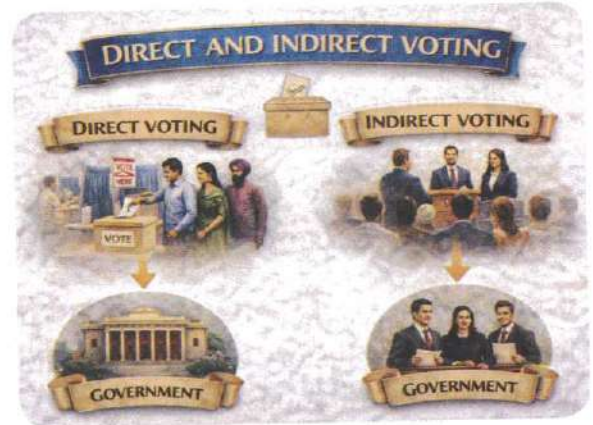


Fig. 6.5. Direct and Indirect Voting

Indirect or representative democracy is the most widely practised form of democracy today. In this system, citizens elect representatives who govern on their behalf. These representatives form the government and take decisions in the interest of the people. Regular elections ensure that representatives remain accountable to citizens. Most modern democracies, including India, follow representative democracy because it allows effective administration while ensuring people's participation through elections.

Representative democracy can further be classified into different systems based on the relationship between the executive and the legislature. The two most important systems are the **Parliamentary system** and the **Presidential system**.

In a **Parliamentary system**, the executive is closely linked to the legislature. The Prime Minister is the head of government and is usually the leader of the majority party in the legislature. The Council of Ministers is collectively responsible to the legislature and remains in power only as long as it enjoys the confidence of the majority. The legislature can remove the government through a vote of no confidence. Countries such as **India** and **Canada** follow this system. This system ensures accountability of the executive and allows flexibility in governance.

In a **Presidential system**, the President is both the head of state and the head of government. The President is elected independently of the legislature and holds office for a fixed term. The executive is not directly accountable to the legislature and cannot be removed by a vote of no confidence. The **United States of America** follows this system. This system provides stability to the executive but may sometimes lead to conflict between the executive and the legislature.

Thus, democracy exists in different forms across the world. While all democratic systems are based on the principles of popular participation, elections, and rule of law, they differ in structure and functioning. Countries choose the type of democracy best suited to their political and social conditions.

Difference between Parliamentary and Presidential Systems

Basis of Comparison	Parliamentary System	Presidential System
Head of Government	The Prime Minister is the head of government.	The President is the head of government.
Head of State	The President/Monarch is the nominal head of state.	The President is both head of state and head of government.
Election of Executive	The Prime Minister is chosen from the legislature.	The President is elected independently of the legislature.
Relationship between Executive and Legislature	The executive is drawn from and accountable to the legislature.	The executive is separate from the legislature.
Accountability	The executive is responsible to the legislature.	The executive is not directly responsible to the legislature.
Removal of Executive	Can be removed by a vote of no confidence.	Cannot be removed by a vote of no confidence.
Tenure of Executive	No fixed tenure; depends on majority support.	Fixed tenure of office.
Separation of Powers	No strict separation of powers.	Clear separation of powers.
Role in Law-making	Executive plays an active role in law-making.	Legislature mainly makes laws; executive implements them.
Countries Following the System	India, Canada, United Kingdom	United States of America

6.5 CHALLENGES TO DEMOCRACY IN INDIA

India is the world's largest democracy, with a vast population participating in regular elections. However, the functioning of democracy in India faces several challenges that affect its quality and effectiveness.

Social and economic inequality, which limits equal participation: Indian society is marked by inequalities based on caste, class, gender, and income. Poor and marginalised sections often lack access to education, resources, and opportunities. Due to poverty and social discrimination, many citizens are unable to participate fully in political processes. This inequality weakens the democratic principle of political equality.

Illiteracy and lack of political awareness: A large section of the population lacks proper education and political awareness. Many citizens are not fully aware of their rights, duties, and the functioning of democratic institutions. As a result, they may be influenced by false promises, misinformation, or pressure during elections. Lack of awareness reduces meaningful participation in democracy.

Corruption and misuse of power: Corruption is a serious challenge to Indian democracy. It involves the misuse of public office for personal gain. Corruption reduces people's trust in government institutions and affects the fair distribution of resources. When elected leaders misuse power, democratic values such as transparency and accountability are weakened.

Casteism, communalism, and regional divisions: Democracy in India is often affected by divisions based on caste, religion, and region. Political parties sometimes use these divisions to gain votes rather than focusing on national development. Such practices create tension among communities and harm social unity. Democracy works best when citizens think beyond narrow identities.

Limited participation beyond elections: In India, people actively participate during elections, but their involvement in democratic processes often ends after voting. Democracy requires continuous participation through discussions, protests, public debates, and community activities. Limited involvement beyond elections reduces citizens' influence on governance and decision-making.

6.6 DEMOCRATIC SYSTEMS IN THE WORLD

Democracy is practised in different forms across the world. Each country adopts a democratic system based on its historical background, social structure, and constitutional framework. Although these systems differ in structure and functioning, they are all based on democratic principles such as elections, rule of law, and protection of citizens' rights.

India: Parliamentary democracy with a federal structure

India follows a parliamentary system of democracy in which the Prime Minister is the head of government and is responsible to the Parliament. The President is the nominal head of state. India also has a federal structure, where powers are divided between the central government and the state governments. This system ensures participation of people at both national and state levels and maintains unity in diversity.

USA: Presidential democracy with a strong separation of powers

The United States follows a presidential system of democracy. The President is both the head of state and the head of government and is elected independently of the legislature. There is a clear separation of powers among the executive, legislature, and judiciary. This system provides stability to the executive and prevents concentration of power in any one branch of government.

France: Semi-presidential system with both President and Prime Minister

France follows a semi-presidential system of democracy. In this system, the President is directly elected by the people and holds significant powers, especially in foreign affairs and defence. At the same time, the Prime Minister and the Council of Ministers are responsible to the legislature. This system combines features of both parliamentary and presidential systems.

Russia: Federal democracy with a powerful executive

Russia has a federal democratic system where power is shared between the central government and regional governments. The President holds strong executive powers and plays a dominant role in governance. Although elections are held, the strong position of the executive influences the functioning of democratic institutions.

Canada: Parliamentary democracy under a constitutional monarchy

Canada follows a parliamentary system of democracy similar to that of India. The Prime Minister is the head of government and is accountable to the Parliament. Canada is also a constitutional monarchy, where the monarch is the ceremonial head of state. Real power rests with elected representatives, ensuring democratic governance.

Although these democratic systems differ in form and structure, they all uphold basic democratic principles such as free and fair elections, rule of law, and protection of fundamental rights. This shows that democracy can adapt to different social, political, and historical contexts while maintaining its core values.

Exercises

I. Multiple Choice Questions

1. What is the basic meaning of democracy?
(a) Rule by the military
(b) Rule by elected representatives
(c) Rule by wealthy people
(d) Rule by religious leaders
2. Who gave the famous definition of democracy as “of the people, by the people, and for the people”?
(a) Mahatma Gandhi (b) Jawaharlal Nehru (c) Abraham Lincoln (d) Aristotle

3. Which of the following is an essential feature of democracy?
 - (a) Rule by one party
 - (b) Rule by military
 - (c) Free and fair elections
 - (d) Rule by monarchy
4. The principle of “one person, one vote, one value” refers to.....
 - (a) Economic equality
 - (b) Social equality
 - (c) Political equality
 - (d) Religious equality
5. Which country follows a presidential system of democracy?
 - (a) India
 - (b) Canada
 - (c) France
 - (d) USA
6. In which system can the government be removed by a vote of no confidence?
 - (a) Presidential system
 - (b) Parliamentary system
 - (c) Monarchical system
 - (d) Military system
7. Which institution protects fundamental rights in a democracy?
 - (a) Legislature
 - (b) Executive
 - (c) Judiciary
 - (d) Election Commission
8. Which of the following is a challenge to democracy in India?
 - (a) Universal adult franchise
 - (b) Free elections
 - (c) Corruption
 - (d) Independent judiciary
9. Which form of democracy is most common in the modern world?
 - (a) Direct democracy
 - (b) Representative democracy
 - (c) Military democracy
 - (d) Absolute monarchy
10. Match the following values with their meanings and choose the correct option.

Column A	Column B
(i) One person, one vote	(a) Protection of citizens' freedoms
(ii) Rule of law	(b) Political equality
(iii) Free and fair elections	(c) Equal application of law
(iv) Fundamental rights	(d) Choice to change rulers

Options:

- (a) (i)–(b), (ii)–(c), (iii)–(d), (iv)–(a)
- (b) (i)–(c), (ii)–(b), (iii)–(a), (iv)–(d)
- (c) (i)–(d), (ii)–(a), (iii)–(b), (iv)–(c)
- (d) (i)–(b), (ii)–(d), (iii)–(c), (iv)–(a)

II. Assertion-Reason Questions

Two statements are given as Assertion (A) and Reason(R). Study the statements carefully and identify the correct alternative:

- (a) Both (A) and (R) are true and (R) is the correct explanation of (A).
- (b) Both (A) and (R) are true but (R) is not the correct explanation of (A).
- (c) (A) is true but (R) is false.
- (d) (A) is false but (R) is true.

1. **Assertion (A):** Democracy is considered better than other forms of government because it allows people to choose their rulers.

Reason (R): In a democracy, rulers are elected through free and fair elections.

2. **Assertion (A):** Direct democracy is not suitable for modern countries.

Reason (R): Modern countries have large populations and complex administrative needs.

3. **Assertion (A):** In a parliamentary system, the executive is accountable to the legislature.

Reason (R): The legislature can remove the executive through a vote of no confidence.

4. **Assertion (A):** The principle of “one person, one vote, one value” ensures political equality.

Reason (R): Every adult citizen has an equal right to vote regardless of caste, gender, or wealth.

5. **Assertion (A):** Democracy can function only when citizens actively participate in public life.

Reason (R): Democracy depends only on elected leaders to make all decisions.

III. Fill in the blanks

1. Democracy is a form of government in which rulers are by the people.
2. The famous definition of democracy was given by Lincoln.
3. The principle of “one person, one vote, one value” ensures equality.
4. In a parliamentary system, the head of government is the
5. The right of all adult citizens to vote is called

IV. Write True or False for the below statements

1. Corruption strengthens democratic institutions.
2. Democracy can be practised only at the national level.
3. Early democratic institutions such as sabhas and samitis existed in ancient India.
4. Democracy requires active participation of citizens beyond elections.
5. All democratic countries follow the same system of government.

V. Very short answer type questions

1. What is meant by democracy? Explain it as a form of government.
2. Explain Abraham Lincoln’s definition of democracy in your own words.
3. Why is democracy described as a way of life and not only a form of government?
4. What is meant by political equality in a democracy?
5. Why are free and fair elections essential for democracy?

VI. Short answer type questions

1. How does the rule of law prevent the misuse of power in a democracy?
2. Assess the role of opposition parties in strengthening democratic systems.
3. Why can a country with regular elections still fail to be truly democratic?
4. Analyse how social and economic inequality affects democratic participation in India.
5. Why is citizen awareness as important as voting in a democracy?

VII. Long answer type questions

1. Compare direct and representative democracy, highlighting their suitability in different contexts.
2. Evaluate the parliamentary system of democracy with reference to accountability and stability.
3. Examine the presidential system of democracy, pointing out its advantages and limitations.
4. Compare parliamentary and presidential systems with reference to separation of powers and accountability.
5. Analyse the major challenges faced by Indian democracy and their impact on its quality.

I. Multiple Choice Questions

1. Democracy means a form of government in which rulers are
(a) Appointed by the military (b) Selected by religious leaders
(c) Elected by the people (d) Born into power
2. Which idea best explains democracy as “for the people”?
(a) Government is run by experts (b) Government works for citizens’ welfare
(c) Government follows traditions (d) Government controls citizens
3. Why is direct democracy not practical in modern countries?
(a) People lack interest in politics (b) Countries have large populations
(c) Governments oppose it (d) Elections are costly
4. Which situation shows democracy beyond government?
(a) Parliament passing a law (b) President issuing an order
(c) Family taking decisions through discussion (d) Army controlling administration
5. The principle of “one person, one vote, one value” ensures
(a) Social equality (b) Economic equality (c) Political equality (d) Religious equality
6. Which feature of democracy is violated if opposition parties are not allowed to contest elections?
(a) Rule of law (b) Free and fair electoral competition
(c) Federal structure (d) Separation of powers
7. A country where the President is both head of state and head of government follows
(a) Parliamentary system (b) Federal system
(c) Presidential system (d) Monarchical system
8. Which example shows a challenge to democracy in India?
(a) Universal adult franchise (b) Independent judiciary
(c) Corruption in public offices (d) Regular elections
9. Which action by citizens strengthens democracy the most?
(a) Voting only once in five years (b) Obeying laws silently
(c) Participating in discussions and public debates (d) Avoiding political matters

10. Match the following values with their meanings and choose the correct option.

Column A	Column B
(i) Parliamentary system	(a) Fixed tenure of executive
(ii) Presidential system	(b) Vote of no confidence
(iii) India	(c) Prime Minister as head of government
(iv) USA	(d) President as head of government

Options:

(a) (i)–(c), (ii)–(a), (iii)–(b), (iv)–(d)

(b) (i)–(b), (ii)–(a), (iii)–(c), (iv)–(d)

(c) (i)–(a), (ii)–(b), (iii)–(d), (iv)–(c)

(d) (i)–(c), (ii)–(b), (iii)–(a), (iv)–(d)

II. Assertion-Reason Questions

Two statements are given as Assertion (A) and Reason (R). Study the statements carefully and identify the correct alternative:

(a) Both (A) and (R) are true and (R) is the correct explanation of (A).

(b) Both (A) and (R) are true but (R) is not the correct explanation of (A).

(c) (A) is true but (R) is false.

(d) (A) is false but (R) is true.

1. **Assertion (A):** Corruption weakens democracy.

Reason (R): Corruption reduces public trust in democratic institutions.

2. **Assertion (A):** In a presidential system, the executive has a fixed tenure.

Reason (R): The executive can be removed by the legislature through a no-confidence motion.

3. **Assertion (A):** Rule of law is an essential feature of democracy.

Reason (R): It ensures that both rulers and citizens are subject to the same laws.

4. **Assertion (A):** Democracy is a perfect system that does not face any problems.

Reason (R): All democratic countries face challenges and need constant improvement.

5. **Assertion (A):** Different countries practise democracy in different forms.

Reason (R): Democratic systems adapt to different historical and social conditions.

III. Fill in the blanks

1. Democracy is a form of government in which rulers are by the people.

2. The famous definition of democracy was given by Lincoln.

3. The principle of “one person, one vote, one value” ensures equality.

4. In a parliamentary system, the head of government is the

5. The right of all adult citizens to vote is called

IV. Write True or False for the below statements

1. Democracy is a form of government in which rulers are elected by the people.

2. In a democracy, citizens do not have the right to question the government.

3. The principle of “one person, one vote, one value” is based on political equality.

4. In a parliamentary system, the President is the real head of government.

5. The United States of America follows a presidential system of democracy.

V. Very short answer type questions

1. Explain the importance of the rule of law in a democratic system.
2. What role do citizens play in the success of democracy?
3. Why is direct democracy not suitable for modern nation-states?
4. What is meant by representative democracy?
5. Explain the principle of “one person, one vote, one value.”

VI. Short answer type questions

1. Explain how democratic values can be practised beyond the sphere of government.
2. Why is direct democracy impractical in large modern nation-states?
3. Examine the relationship between accountability and democracy.
4. How do democratic institutions ensure peaceful transfer of power?
5. Explain why democracy is described as a continuous and evolving process.

VII. Long answer type questions

1. Examine how corruption undermines democratic values and institutions.
2. Evaluate the role of elections in ensuring accountability in a democratic system.
3. Analyse how different democratic systems adapt to their social and political environments.
4. “Active citizenship is the foundation of a successful democracy.” Examine the statement.
5. Critically evaluate democracy as an ideal that societies strive to achieve.

I. Source-based Questions

Read the below source and answer the following questions:

1. Democracy is a form of government in which rulers are elected by the people. Citizens do not govern directly but choose their representatives through free and fair elections. The government derives its authority from the people and remains accountable to them. People have the right to change their rulers peacefully through elections.
 - (a) Identify the type of democracy described in the above passage.
 - (b) What gives legitimacy to the government in a democratic system?
 - (c) Explain how people can change their rulers in a democracy.
2. Democracy is not restricted to governments alone. It is also a way of taking decisions in families, schools, organisations, and political parties. When decisions are taken after discussion and consultation, and when everyone’s opinion is respected equally, the process is considered democratic.
 - (a) According to the passage, democracy can be practised in which areas besides government?
 - (b) What makes a decision-making process democratic?
 - (c) Explain why democracy is described as a way of life.

II. Picture-based Question

Observe the picture and answer the following questions:

- (i) Identify the form of government represented in the given picture.
- (ii) Which democratic principle is highlighted by the phrase “by the people” shown in the picture?
- (iii) Explain the meaning of “for the people”.



WORKSHEET

I. Multiple Choice Questions

- Why is democracy described as a continuous process?
(a) Elections happen regularly (b) Laws change frequently
(c) Democratic ideals need constant effort (d) Governments are unstable
- Democracy requires active participation of:
(a) Only elected leaders (b) Only educated citizens
(c) Only political parties (d) All citizens
- Which of the following situations best reflects the principle of *representative democracy*?
(a) Citizens directly vote on every law (b) People elect leaders who take decisions on their behalf
(c) Decisions are taken by the military (d) Power is inherited within a ruling family
- A country holds regular elections, but opposition parties are not allowed to campaign freely. Which democratic principle is most clearly violated?
(a) Rule of law (b) Political equality
(c) Free and fair electoral competition (d) Universal adult franchise
- Which of the following best explains why democracy is described as a *continuous process*?
(a) Elections are held regularly (b) Democratic ideals require constant efforts to be achieved
(c) Citizens govern directly at all times (d) Power remains fixed with one institution

II. Fill in the blanks

- Democracy is a form of government in which rulers are elected by the
- The principle of political equality is expressed through the idea of,,
- In a parliamentary system, the executive remains in power as long as it enjoys the confidence of the
- Institutions such as sabhas and samitis show that democratic traditions existed in India since times.

III. Write True or False for the below statements

- In a presidential system, the executive can be removed by a vote of no confidence by the legislature.
- Democracy can be practised only at the national level of government.
- Free and fair elections are essential for the proper functioning of a democracy.
- Social and economic inequality strengthens democratic participation.

IV. Very short answer type questions

- What is meant by universal adult franchise?
- Why is democracy considered a continuous process?
- What is meant by accountability in a democracy?
- How do fundamental rights strengthen democracy?
- Why is participation beyond elections important in a democracy?

V. Short answer type questions

- Explain why democracy is considered more than just a form of government.
- Analyse the significance of Abraham Lincoln's definition of democracy in the modern context.
- How does representative democracy balance popular participation with effective governance?
- Why are free and fair elections essential for the legitimacy of a democratic government?
- Examine the importance of political equality in sustaining democracy.

VI. Long answer type questions

- Distinguish between direct democracy and representative democracy.
- Explain the parliamentary system of democracy with examples.
- Describe the presidential system of democracy.
- Compare parliamentary and presidential systems of democracy.
- Explain the major challenges to democracy in India.