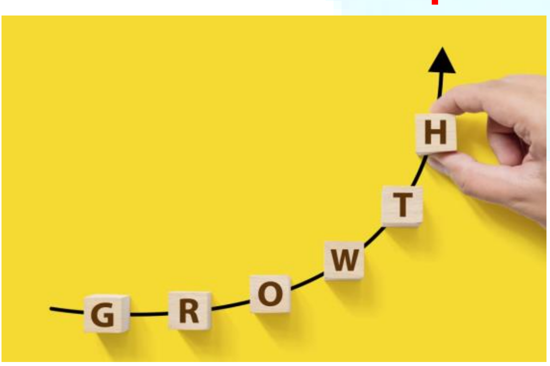
ENTRI

SOCIOLOGY Module V

Sociology of Development

Changing Paradigms of Development

Economic Growth Perspective



- In the writings of early economists, the concept of development, as we define today, is missing. These writings have confined themselves to what we treat as economic growth and explained the concept only rationally and in economic terms.
- The progress could be measured in terms of per capita income, GNP, and the number of functioning industrial units. They looked at development from

- this angle, and referred essentially to the successive growth in material and manual forces of production like land, labour, capital and technology.
- The theories of economic growth vary in their views but there are four common points in them which explain the laws of economic growth:

1. The accumulation of capital and improvement of technology,
2. Population change,
3. The division of labour into specialised activities, and
4. Entrepreneurship.

- **Adam Smith**, writing in the beginning of the 18th century, propounded the first systematic theory of economic growth. According to him, invention of better machines is responsible for increase in productivity and material welfare.
- The classical economics stressed upon development in terms of economic growth and believed that if annual growth is at the rate of 5 to 6 per cent, it should be treated as a developing economy. W.A. Lewis, one of the celebrated economists of the classical era, has favoured per capita production to distribution.
- For **Karl Marx,** the determining force in history is technology. Technology, according to him, would hasten polarisation of classes and intense class struggle leading to the unity of workers against capitalists and seizing power from them

Human Development Perspective:

• The concept of human development has its origin in the writings of early economists like Adam Smith, DavidRicardo, Robert Malthus, John Stuart Mill etc., but over time, excessive preoccupation with income growth obscured this objective of development. It is the United

Nations Development Programme (UNDP), which revived the concept in its Human Development Report(HDR) of 1990 (UNDP, 1990).

• This could be done only by realising the fact that economic growth may not be termed as realistic and down-to-earth development as the growth of wealth would not necessarily ensure that nobody would really

be hungry. Human development broadly refers to improvement in the overall human well-being.

• It is not easy to measure the level of quality of life and people's relative

deprivation in this context. However, the UNDP (1990) has introduced

Human Development Index (HDI), which may be used to measure relative human development position.

• The indicators, which have been identified to measure the level of human development, include:

(a) life expectancy,

(b) literacy rate,

(c) Per Capita Income

This focuses on the human face of development and this perspective could emerge on realising that there is no automatic relationship between the growth of GNP and improvement in the quality of life.

But, later on, it was felt that despite achieving the growth target set by the UN, the masses could not be freed from the trap of poverty and unemployment in most of these countries. This led to redefining the concept of economic development with more emphasis on the distribution part of economy and the gross income achieved by the State.

Social Development Perspective

- ❖ The concept of social development gained currency at the time when the Third World countries started to strive for economic development.
- ❖ The scholars and the agencies like UNO, working on the problems of development in the developing countries, realised that these countries due to prolonged colonial subjugation were left with sad social and

economic conditions at the time of independence and were far away from modern values.

- The concept of social development, according to M.S.A. Rao, is inclusive of economic development but differs from it in the sense that it emphasises the development of the society in its totality – including economic, political, social and cultural aspects. In this
- sense, social development planning is not concerned with planning exclusively for social services any more but it is also concerned with the planning for economic growth.
- There are many areas, apart from social or welfare services, wherein the social perspective has relevance,
- e.g., population policy, policy relating to urbanisation,industrial location and environmental pollution, regional development, income growth, income distribution and land reform, policies governing administration and people's participation in planning and the implementation of plans.
- The concept of **'social'** consists of all non-economic factors. Social development is a precondition for economic development. According to J.A. Ponsioen, social is an autonomous field and, therefore, social development has to be defined in its own terms. The changes in the social field which are compatible and conducive to economic development may be defined as social development.

Sustainable Development Perspective

- ➔ By the end of the 70s of the last century, it was realised that the nature and extent of development, as conceived and being pursued, would harm more than help mankind. Cruel exploitation of the natural resources (the ultimate source of our life) reduced them to a lamentable level.
- ➔ The **backwash effect** of the blind race in achieving the kind of development as is done so far emerged in the form of ecological imbalance, environmental degradation and pollution of water and air. Also, there seemed to be a potential crisis of energy – the most necessary part of development.

- These alarming conditions forced scholars to contemplate an approach to development which would minimise these threats. This led to the emergence of the concept of sustainable development.
- The approach of sustainable development refers to the method of development which may, on the one hand, bring about better standard of living and life chances and, on the other, the possibility the negative impact of the process of development may be minimal.
- This involved the widening of the concept of development to include a part of social development of awareness
- among people to be sensitive to the imperativeness of maintenance of ecology and conscious and careful management of development problems to avoid any danger to the living world.
- The debate on the limits of growth and the promotion of growth with environmental consciousness led to the development of the idea of sustainable development.
- The term first appeared in the 1987 report **'Our Common Future'** of the United Nations. Sustainable development was defined by the Brundtland Commission as meeting of "**the needs of the present without compromising the ability of future generation to meet their own needs**"

Modernalization Theory – Daniel Lerner

Daniel Lerner – mass media as proponent of modernisation

Daniel Lerner was an American scholar and writer who gave a modernisation theory based on the use of mass media. His work is also considered to be influential in the discipline of media development and development communication.

Learner focused his work on the role of the mass media as a means of promotion of economic and social development in post-colonial countries.

His theory of modernisation is decidedly west-centric and lays great stress on the superiority of the American cultural, social, economic and political systems. In his book, **"The Passing ofTraditional Society: Modernising the Middle East",** Lerner tries to work out a theory of modernisation and social transformation through the effect of mass media. He studied how propaganda, aided by mass media, can be used to generate and mobilise public opinion and how it furthers the modernisation process. He states that societies can make a shift from traditional to modern through the help of mass media. The logic underlying the transformation comprised the following arguments: “No modern society functions efficiently without a developed system of mass media”; mass media “open to the large masses of mankind the infinite vicarious universe” of modern ideas and experiences; media exposure produces“desire . . . to live in the world ‘lived’ only vicariously”; when many people experience this desire, “a transition is underway” toward modernisation. And because “what the West is, the Middle East seeks to become,” “**Islam is absolutely defenseless”** against “a rationalist and positivist spirit” embodied in Western-style democratic institutions.

According to Lerner, the process of modernisation begins when the rural population of a country starts to shift from the rural areas to the urban areas prompted by economic factors like better opportunities.

This leads to an increased rate of urbanisation and the population that now exists in the urban areas has basic needs that need to be fulfilled. This is a need for better education systems, markets that allow free trade, and other institutions that are founded on modern and democratic lines. Media consumption also grows exponentially in the urban population. The growth of literacy and media consumption leads to higher economic participation and political participation.

This changing trend in the personal decision making process of the population of a country is highly conducive to the new ideas and values that form the foundation of modernisation. Mass media plays an important role in shifting popular opinion in favour of these new ideas and values and makes the modernization process seem more attractive.

Mass media communicates images and ideas from the West and helps the postcolonial countries to replace their traditional ways of thinking with modern ways of thinking.

Lerner says that the mass media helps to promote **"psychic mobility**" which he defines as the ability and desire to project oneself into unfamiliar situations and places. In other words, it is an adaptive characteristic in man to respond to his environment with a sense of empathy, rationality and
constricted participant style.

Traditional man is passive and acquiescent; he expects continuity in nature and society and does not believe in the capacity of man to change or control either".

Modern man in contrast, believes in both the responsibility and desirability of change and has confidence in the ability of man to control change so as to accomplish his purpose".

Mass media helps foster a desire in its target audience to experience the same process of development and modernisation that the West has undergone.

Lerner further says that any nation in the world can achieve modernisation, provided it is willing to emulate the Western pattern of development. This line of thought was different from the colonial perspective that viewed racial inferiority and genetic predisposition as reasons for backwardness and lack of development.

The condition to achieve modernisation is to move away from traditional practices and beliefs that foster a **"subculture of peasantry"** as described by Everett M. Rogers. The Western way is seen as a shining light of development that the rest of the post-colonial world would greatly benefit

from by following in their footsteps. Lerner's model of cultural and intellectual superiority is based on the process of cultural maturity that is divided into three phases. These are as following:

the traditional phase

the transitional phase

the modern phase

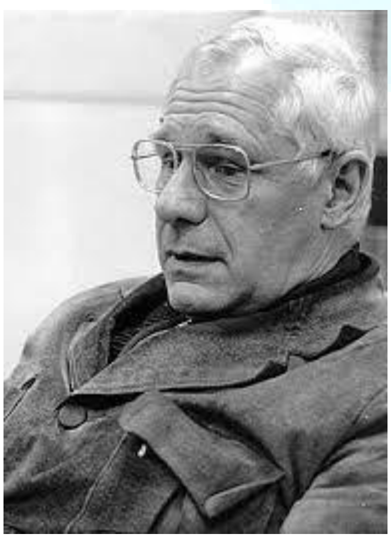
- The traditional phase is characterised by the following and practice of traditional values and ideas that lead to backwardness. There is no social or cultural emphasis to improve or change the status quo and as such economic, technological or cultural innovations and practices are not
- made in this phase. The economic setup is feudal and largely agricultural, technology is obsolete and the socio-cultural values are traditional as is evident through the position of women and levels of education. The overall developmental process is stagnant and progress is at a standstill.
- The transitional phase starts to see a shift in the values and ideas of the society. More specifically the change is seen in the younger generation

as they have been exposed to the influence of the mass media that communicates the Western ideas of socio-economic and cultural development to the previously traditional societies. The older generation still clings to their traditional ideas and practices and are resistant to change.

- The modern phase is characterised by capitalism, technological advancement and on the sociocultural front by women's empowerment and rise in modern education.
- The elites hold an important position in this phase. Through the help of the mass media, the elites are models of aspiration for the masses and as examples of the result of embracing the modernisation process and new, Western values.
- Lerner's study of the Middle-Eastern societies, particularly Balgat Turkey forms the basis of his modernisation theory. But like all theories, this too has its shortcomings.
- Firstly, the theory is decidedly west centric and promotes a neocolonial developmental model that does not eliminate the dependence of the traditional societies on their more developed, western counterparts.
- In a larger sense, the western modernisation process is equated with development and by default a superior way of living, diminishing the traditional societies and their unique cultural features.
- Secondly, Lerner's theory only explains Turkey's process of development with any certainty and does not seem to apply to other Middle Eastern societies like Lebanon, Egypt, Syria, Jordan, and Iran.

- The generalisations made by Lerner are based on too small a group to be taken conclusively and accurately.
- Thirdly, the strongest criticism comes from scholars of postcolonial societies.
- They state that the modernisation process, as proposed by Lerner, presupposes the inferiority of the traditional societies and sees its elimination as an inevitable result of the modernisation process. It forces the western ideas of modernisation upon the traditional societies.
- This disregards the actual needs of the societies and is often oppressive and violent. Scientific development and technology is seen as beneficial despite other factors and change is forced upon the traditional society through propaganda rather than coming about organically.

THE DEPENDENCY THEORY OF DEVELOPMENT A.G FRANK



Frank's Theory of Underdevelopment: All resources have their own level of capacity to be used by mankind to grab all its potential for which it has been created. But, there are cases when it is being used only by a few countries, creating a difference of opinion among nations. This concept has been deeply analysed by a famous sociologist – Andre Gunder Frank to understand the core importance through his theory of underdevelopment.

Understand the meaning:

Before going into the topic, the two important understandable words that need clarity are **"Theory" and "Underdevelopment"** as these words have crucial meanings.

To define theory, "it is a well-substantiated explanation acquired through the scientific method and repeatedly tested and confirmed through observation and experimentation".

Whereas, when resources are not used to their full socio-economic potential, with the result that development in a country is slower in most cases than it should be, especially compared with the capital and technologies in countries that surround it, it is then termed as underdevelopment.

Begin from the origin:

The happenings of this theory have not grown only from the modern period but have its origin from the mercantile period that goes back to the sixteenth to the late eighteenth centuries.

It became popular in the 1960s through the research of many scientists. People began to question why countries weren't developing.

The stock answer would be because the country is not pursuing the correct **"economic policy"** or the government is authoritarian and corrupt.

This postulation has undergone through all colonial, semi-colonial and neo-colonial phrases for the fulfilment of capitalist ideology which resulted directly into underdevelopment.

- This became worse after the First World War which benefited all the capitalist countries to develop and let out the third world countries too dependent on them for their growth. This is the beginning of the research on various conceptualizations that are made to question the developing or under-developing countries about their standard of rank among other nations.
- Theorists began to doubt that these were the only factor at play. They theorised it was the international system hindering the growth of undeveloped nations.
- When such a situation prevailed in the world system, it was Andre Gunder Frank, a famous sociologist and economic historian who developed the

Dependency theory that made the whole universe look at their country's relationship with the other countries which directly or indirectly helped for their enlargement. When this separation and dependence arose, Frank enhanced his theory to prove the world about the existence of big nations that control or not letting out the small nations (both in terms of growth) to come out of their cocoon for their independent survival. This idea of the sociologist brought a major impact on the worldwide scenario.

- This dependency theory associated primarily with Latin American countries asserts that in the capitalist system, resources tend to flow from the periphery of poor underdeveloped countries to the core of the wealthy Western world.

  This is because poorer countries tend to provide natural resources and cheap labour for products designed and sold by businesses in richer countries. This leads to a unilateral flow of capital which is simultaneously maintained by the politics, finance, education, culture and sometimes military of the rich countries.

The Methodology of the system:

- To explain how this theory can be used, theorists argue there are numerous kinds of the nation:

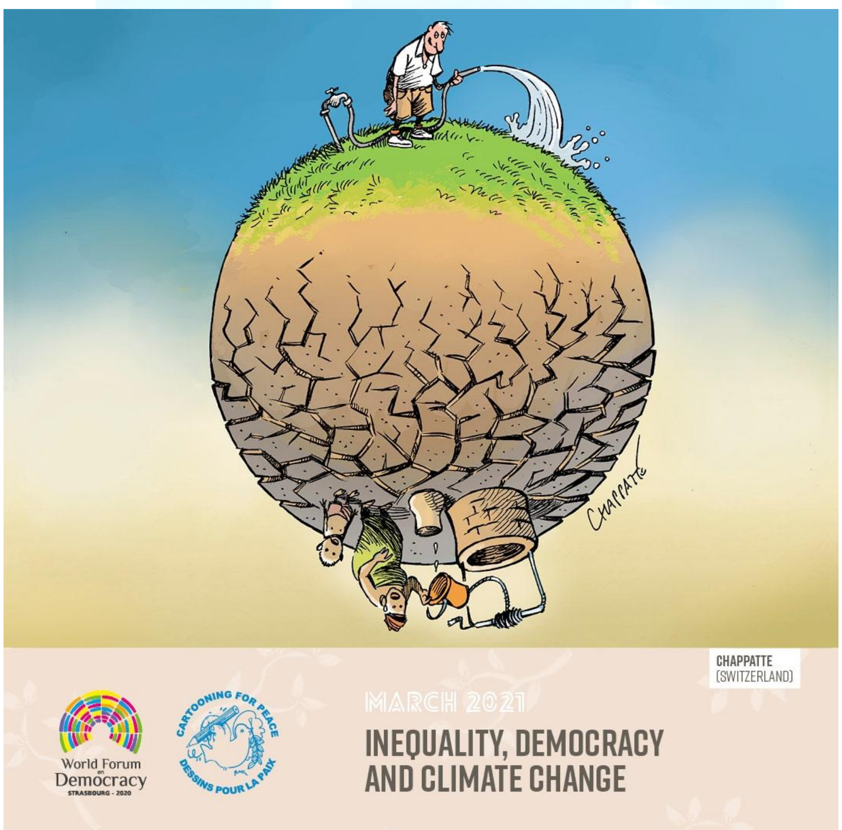
- The first being core of the core nations: they are the wealthiest and most powerful nations like the USA;
- The second type can be called the periphery of the core nations: these countries are developed but have less power on the world stage like Canada;
- The third is the core of periphery nations: these are developing countries that still have a lot of wealth (THE BRICS NATIONS) but not so much international power like China;
- The fourth is the periphery of the periphery nations: these are the world's poorest countries with extremely low GDP per capitals like Zimbabwe.
- The problem starts with its dependency on other countries. According to the theory, the international system is one where all countries serve the economic interests of the core countries.
- The periphery of the periphery countries serves the economic interests of all other countries. The core of the periphery countries serves the economic interests of the periphery of the core countries and the core of the core countries.
- The periphery of the core countries serves the economic interests of the core countries.

- This question arises because there is a world-class distinction where the majority of the wealth is controlled by a minority of political and economic elites.
- Therefore, in the poorer countries, the exploitation of resources is made possible as the wealthy minorities control a large proportion of the resources
- .For instance, Zimbabwe's 20 richest people have a collective wealth of $10.119 billion; the country has a total GDP of $16 billion; these few people enable the exploitation of primary products to take place for their own economic gain.

- Instead of adding value to their own resources, the primary products are exploited, only for wealthier nations to add value and export the added value goods back to other nations.
- Any profit made will work back towards the wealthy countries as the undeveloped countries require their secondary and tertiary sector goods. Essentially, the gradual transfer of all capital and resources from less developed countries to more developed countries occurs.

Global Inequality:

- **What dries global economic inequality? What keeps poorer countriesdeveloping?**



- It can be sociologists, economists, politicians, historians or the World Bank, whoever might be having trouble in defining inequality.
- Let alone getting to the root of its causes while most agree that we've seen a global economic convergence, that is to say that, most countries are catching up however slowly with the developed world.
- They do highlight the problems in measuring and confirming the convergence and they also highlight that many countries that Paul Collier called "**Bottom billion"** are being left behind and in some cases getting worse.
- This is the significant impact discussed in this theory of underdevelopment.

World system theory – Immanuel Wallerstein

World-systems theory (also known as world-systems analysis or the world-systems perspective) is a multidisciplinary approach to world history and social change which emphasises the world-system (and not nation states) as the primary (but not exclusive) unit of social analysis.

"World-system" refers to the inter-regional and transnational division of labour, which divides the world into core countries, semi-periphery countries, and the periphery countries.

Core countries focus on higher-skill, capital-intensive production, and the rest of the world focuses on low-skill, labour-intensive production and extraction of raw materials.This constantly reinforces the dominance of the core countries.

Nonetheless, the system has dynamic characteristics, in part as a result of revolutions in transport technology, and individual states can gain or lose their core (semi-periphery, periphery) status over time. This structure is unified by the division of labour. It is a world-economy rooted in a capitalist economy.

For a time, certain countries became the world hegemon; during the last few centuries, as the world-system has extended geographically and intensified economically, this status has passed from the Netherlands, to the United Kingdom and (most recently) to the United States.

Components of the world-systems analysis are longue durée by Fernand Braudel, "development of underdevelopment" by Gunder Frank, and the single-society assumption. **Longue durée** is the concept of the gradual change through the day-to-day activities by which social systems are continually reproduced. **"Development of underdevelopment"** described that the economic processes in the periphery are the opposite of the development in the core.

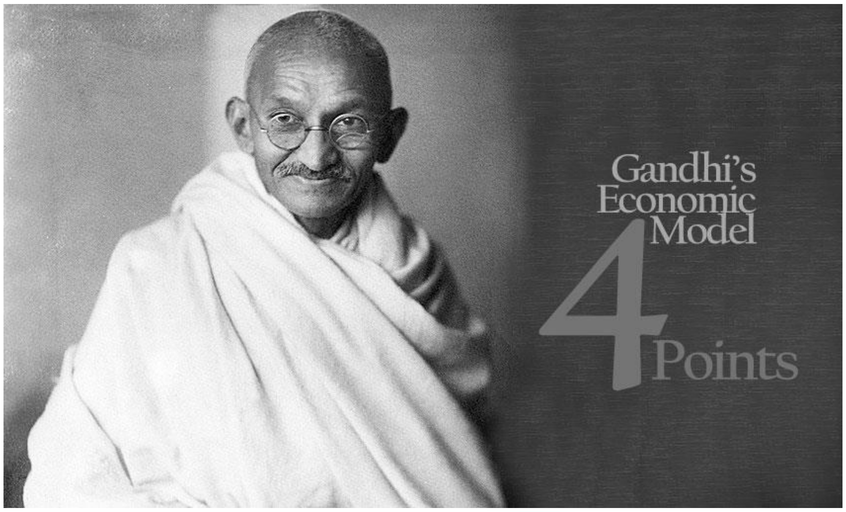
Poorer countries are impoverished to enable a few countries to get richer.Lastly, the single-society assumption opposes the multiple-society assumption and includes looking at the world as a whole.

A world map of countries by their supposed trading status in 2000, using the world system differentiation into core countries (blue), semi-periphery countries (yellow) and periphery countries (red). Based on the list in Dunn, Kawana, Brewer.

World-systems theory has been examined by many political theorists and sociologists to explain the reasons for the rise and fall of states, income inequality, social unrest, and imperialism.

GANDHIAN ECONOMIC DEVELOPMENT

Gandhi's economic philosophy was greatly influenced by Ruskin's Unto This Last. From this book: he learnt: (a) that the good of the individual is



Theories of Development contained in the good of all; (b) that a lawyer's work has the same value as
barber's, inasmuch as all have the same right to earn from their work; and, (c) that a life of labour, i.e., the life of the tiller of the soil and the handicraftsman is the life worth living. Further, Gandhi was also inspired by the ideas of Thoreau, Tolstoy, and Kropotkin. Tolstoy's principles of simplicity,
asceticism, and egalitarianism became a part of Gandhi's philosophy.

Besides,the Indian scriptures (the Bhagavad Gita, and the Upanishads) and Indian saints such as Kabir, Mira, and Guru Nanak, also left a deep impression on Gandhi.

Gandhi's ideas on economics are embedded in his philosophy of life. Gandhian economics differs from mainstream economics in the following manner

1) It replaces the assumption of the perfect mobility of labour with the assumption that community and family stability should have priority.

2) It rejects the more-is-always-better principle. It replaces the axiom of non-satiation with a principle of limits, the recognition that there is such a thing as 'enough' material wealth.

3) It recognizes that consuming more than 'enough' creates more problems than it solves, and causes consumer satisfaction or utility to decline, rather than increase.

4) It aims at a better quality of life, rather than higher standards of living as propagated by other economists.

Let us have a clear idea of Gandhi's philosophy of life to understand Gandhian economics. Gandhi viewed life as a whole, and not in its isolated compartments. According to the Indian scriptures, there are four aspects of

an individual's life: **Artha (money), Kama (desire), Dharma (righteousness), and Moksha (liberation)**.

These aspects are interrelated, and, therefore all of

them should be harmoniously developed. Money is required to satisfy the basic requirements of life, however, it is not the end in itself.

Man's aim isn't to multiply worldly desires and engage his whole life in acquiring wealth to satisfy all his desires. The goal of life is to control desire and transform it, through righteousness, into liberation. He argues for the liberation of man from the cyclical order marked by artha, kama, dharma and moksha. According

To him, true happiness lies in the all round development of a human being's personality, and in living a full life. Gandhi's ideas on economics are a part of his general philosophy of life. In these ideas, he outlined principles on which he wanted to build the ideal socialist society. The principles are as

follows:

1) Humanism: Man is both the means, and the end of all activity. He is also the measure of performance. Everything functions with a human face. All ideas, institutions, and actions are to be judged in terms of whether they help in building a better man.

2) **Simple Living**: Gandhi had faith in materialism without lust and passion.

Material progress must be subservient to moral growth. The ultimate aim of man is not to accumulate wealth and enjoy luxuries of life, but to attain the higher values of life, and to lead a simple and full life.

Simple living and high thinking should be the motto of life.

3) Social Justice: Society is divided between rich and poor, between the Gandhian Development strong and the weak, between the privileged and unprivileged, and Theory

between the elite and the masses. The principle of social justice requires that the former must help the latter in fulfilling their basic requirements.

The ideal functioning of the society must aim at providing social justice and reducing inequalities.

4) Non Violence: Social change is to be brought about through non violent methods. Ends and means are inseparable in life, and only good

means yield good results. An ideal society can only be established by adopting
peaceful and non violent means, and not through hatred and war. In Gandhian economics, the principle of non violence means the following things:

(a) the absence of capitalistic exploitation;

(b) the decentralisation of production units;

(c) cheaper defence organisation

(d) less inequality of income; and

(e) self sufficiency of communities.

5) Love and Co-operation: An ideal society should be established on the principles of love and cooperation. In such a society, the love of others and not self love; co-operation and not egocentric acts, predominate.

Relations between humans should be based on truth, love, and cooperation, and not on money and matter.

6) Harmony: The ideal economic condition according to Gandhi is self sufficiency of the economy. For this, the following harmonies should be maintained:

(a) the requirements of the people must be in harmony with the resources of the economy

(b) production technology should match the country's requirements.

THE MAIN FEATURES OF GANDHIAN DEVELOPMENT THEORY

The body of Gandhian thought on development is as follows

i) the Gandhian philosophy of economic concepts that are related to development

ii) Gandhian principles of self-sufficiency

iii) the Gandhian theory of balanced growth

iv) the Gandhian doctrine of trusteeship

v)Gandhian model of sustainable development

vi) the Gandhian sarvodaya plan

vii) gandhian concepts of austerity and abstinence

Gandhi developed the following economic ideas and concepts which are consistent with his economic philosophy.

Capital: According to Gandhi, capital is the source of all wealth. It is required for producing commodities and paying wages to the workers.

Capital is of two types: money capital and labour capital. A labourer's skill is his capital.

Both money capital and labour capital are necessary for production. Gandhi observed, 'Just as the capitalist cannot make his capital firm without the cooperation of labour, similarly the working man cannot make his labour fructify without the cooperation of capital.' For better industrial relations,

Both capital and labour need to be organised.

It is easy to organise capital but not labour.

This weakens the workers' bargaining position and increases the possibility of exploitation of labour. An entrepreneur's power to exploit labour depends upon the extent of concentration of capital in the hands of capitalists. Gandhi suggested two methods to reduce the evil effects of the concentration of capital.

According to him:

The ownership of capital should be decentralised; and

If the concentration of capital is considered essential, the state should have the full control over the use of capital.

Labour: The exploitation of labour is an evil of the capitalist system. It causes unrest among the workers, and, if it persists for a long time, it provokes them to revolt against the system. According to Gandhi, the exploitation of

labour is measured as a difference between what the worker gets, and what he deserves.

Whenever a worker is paid less than the basic wage rate, or the minimum living wage rate, he is said to be exploited.

The exploitation of labour is a normal feature of capitalism. The capitalists, in their effort to increase profits, tend to reduce wages. The extent of exploitation can be minimised by stabilising the wage rate at a reasonable level. The ultimate solution lies in bridging the gap between the capitalists and the workers.

His view was that people should not lose their independence, identity, and Gandhian Development thus, their creativity. Theory

Profits: In the Gandhian view, the term profit is used in the residuary sense. Profit is equal to total receipt minus production costs.

Capital depreciation and distribution costs are negligible in this scheme of production. Thus, the main costs of production are expenditure on raw materials, and payments to the workers. Profit is the excess of total receipts over these costs.

Technological improvements are beneficial to the entrepreneurs

to the workers. With the introduction of machinery, the entrepreneur's profit increases, while the workers face unemployment, and reductions in wages.

Gandhi did not consider profit to be essential for the survival of a firm.

Employment:

Gandhi emphasised employment. The full employment of human resources is the primary need of a country.

By full employment, Gandhi meant the employment of each and every individual.

Full employment cannot be attained through the dckclopn~ent of large scale industries. These industries generally use capital intensive and labour saving technologies, and do not provide sufficient employment opportunities.

Moreover, most unemployed people live in rural areas. The cause of rural underemployment is the seasonal nature of agriculture. The agricultural workers work on land for six months and for the other six months they remain idle.

It will be disadvantageous for the mechanised industries to employ such underemployed casual labour. Again, the underemployed agricultural workers have religious, cultural and social attachments with rural life, and, therefore, cannot be

expected to leave their homes easily for employment in the urban industries.

Thus, mechanisation and large scale production provides no solution to the problem of unemployment in the agriculture-based, over-populated economies. As Gandhi pointed out: "**Mechanisation is good when the hands are too few for the work intended to be accomplished.**

It is an evil when there are more hands than required for the work, as is the case in India." The problem of unemployment, according to Gandhi, can be tackled only by developing village and cottage industries.

These industries are capital-saving and labourusing. They take employment opportunities to the doors of the unemployed and ideally fit in with the rural conditions.

Production: Gandhi advocated production by the masses. He preferred the decentralisation of small units of production to the concentration of large scale units in a few places.

He wanted to carry the production units to the homes of the masses, particularly in villages. One advantage of the village and cottage industries that increase employment. Another advantage is related to the consideration of efficiency. There are many reasons to believe that it is cheaper to produce any commodity in small and cottage industries because:

- no separate establishment charges are required
- aggregation of cottage industries with agriculture
- very few tools are needed; problems of storage;
- negligible cost of transporting goods to the consumer
- no waste - duplication - due to competition, and
- no problem of overproduction.
- All these factors make the production by the small units economical. Small is beautiful. This is the logic behind the Gandhian scheme decentralisation of village and cottage industries.

Technology: It is erroneous to think that Gandhi was against technology. The essence of science is acquiring knowledge through experimentation. **Theories of Development Gandhi** offered, on behalf of the Spinners' Association, a prize of a lakh of rupees for the invention of a charkha, a spinning wheel, which could be made and repaired in the villages, and would produce four times the yarn

spun on the traditional charkha. He had no objection to the use of machinery to increase production and improve the condition of the workers.

But he did not approve of machinery that, in his view, produced goods along with starvation. He was against the indiscriminate multiplication of machinery.

Gandhi said, "What I object to is the craze for machinery, not machinery as such. The craze is for what they call labour saving machinery. Men go on saving labour' till thousands are without work, and thrown on the open streets to die of starvation." For Gandhi, human consideration was supreme, and that of science and technology was secondary.

Poverty and Inequality: Gandhi was not an economist. But he had a clear understanding of the issues of poverty and income inequality. Poverty is not created by the poor man himself. According to him, poverty and inequality are inextricably connected. Poverty is the manifestation of affluence itself.

The anatomy of affluence appears to be fair. But to gather this status is unfair and illegitimate. Thus, the poverty of many is caused by the richness of some. Man's greed has resulted in poverty, and it is the cause of persistence of poverty in the economy.

Gandhi said, "I suggest that we are thieves in a way. If I take anything that I do not need for my own immediate use, and keep it, I steal it from somebody else. I venture to suggest that it is the fundamental law of Nature, without exception, that Nature produces

enough for our wants from day to day, and if only everybody took enough for himself and nothing more, there would be no pauperism in this world, there would be no man dying of starvation in this world."

According to Gandhi, economics which disregards moral values is untrue. He introduced moral values as a factor in regulating all economic transactions and international commerce. He was not advocating socialism per se but humanistic values.

He contended, **"My ideal is equal distribution, but so far as I can see, it is not to be realised. I, therefore, work for equitable distribution."**

The Principle of Satyagraha: Gandhi adopted the principle of Satyagraha as a movement of civil disobedience and tax resistance.

Gandhi laid down preconditions as absolutely necessary for the practice of Satyagraha. These are as follow:

- **First,** there can be no Satyagraha for an unjust cause. Otherwise the principle of truth will be flouted.
- **Second,** Satyagraha excludes the use of violence in any form, in thought or action.
- **Third,** Satyagraha presupposes a clear distinction between a willing obedience to the laws which are good, and opposition to those which are immoral.
- The superiority of the law of conscience has to assert itself over other laws.
- **Fourth,** Satyagraha is an instrument available only to those who have no hatred towards their opponents.
- **Fifth,** a Satyagrahi must have the capacity and willingness to sacrifice.

- That is why Gandhi insisted more on a small revolutionary minority rather than 5-6 a whole majority.
- **Sixth,** Satyagraha means constant engagement in constructive social work so that Satyagraha as a struggle does not become negative.

- **Seventh,** Satyagraha calls for total humility on the part-of those who practise it.And, Last, Satyagraha is the expression of discipline and sincerity. It challenges the honesty and capacity for national work, and willingness to submit to discipline.

Frankfurt School – Jurgen Habermas.

History and Overview

Critical theory as it is known today can be traced to Marx's critiques of the economy and society. It is inspired greatly by Marx's theoretical formulation of the relationship between economic base and ideological superstructure and focuses on how power and domination operate.

Following in Marx's critical footsteps, Hungarian György Lukács and Italian Antonio Gramsci developed theories that explored the cultural and ideological sides of power and domination.

Both Lukács and Gramsci focused their critique on the social forces that prevent people from understanding how power affects their lives.

Shortly after Lukács and Gramsci published their ideas, the Institute for Social Research was founded at the University of Frankfurt, and the Frankfurt School of critical theorists took shape. The work of the Frankfurt School members, including Max Horkheimer, Theodor Adorno, Erich Fromm, Walter Benjamin, Jürgen Habermas, and Herbert Marcuse, is considered the heart of critical theory.

Like Lukács and Gramsci, these theorists focused on ideology and cultural forces as facilitators of domination and barriers to freedom. The contemporary politics and economic structures of the time greatly influenced their thought and writing, as they lived during the height of national socialism. This included the rise of the Nazi regime, state capitalism, and the spread of mass-produced culture.

The Purpose of Critical Theory

Max Horkheimer defined critical theory in the book Traditional and Critical Theory. In this work, Horkheimer asserted that a critical theory must do two important things: It must account for society within a historical context, and it should seek to offer a robust and holistic critique by incorporating insights from all social sciences.

Further, Horkheimer stated that a theory can only be considered a true critical theory if it is explanatory, practical, and normative. The theory must adequately explain the social problems that exist, offer practical solutions for how to respond to them, and abide by the norms of criticism established by the field.

Horkheimer condemned **"traditional"** theorists for producing works that fail to question power, domination, and the status quo. He expanded on Gramsci's critique of the role of intellectuals in processes of domination.

Key Texts

Texts associated with the Frankfurt School focused their critique on the centralization of economic, social, and political control that was transpiring around them. Key texts from this period include:

Critical and Traditional Theory (Horkheimer)

Dialectic of the Enlightenment (Adorno and Horkheimer)

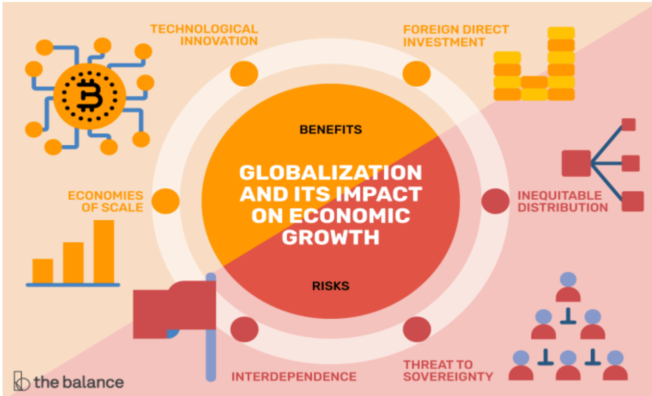
Knowledge and Human Interests (Habermas)

The Structural Transformation of the Public Sphere (Habermas)

One-Dimensional Man (Marcuse)

The Work of Art in the Age of Mechanical Reproduction

Global scenario o f Development



How Has Globalization Evolved?

World trade has grown five times in real terms since 1980, and its share of world GDP has risen from 36 percent to 55 percent over this period .

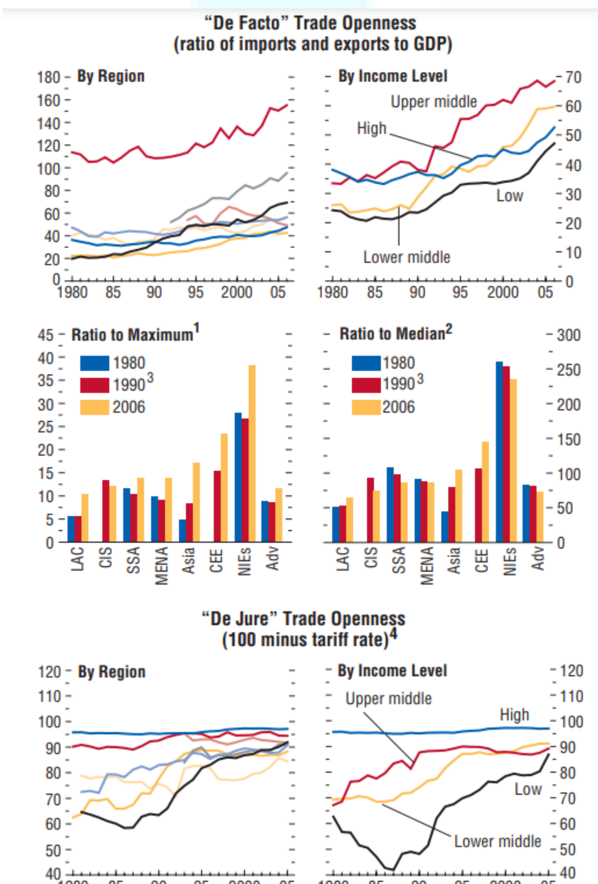
Trade integration accelerated in the 1990s, as former Eastern bloc countries integrated into the global trading system and as developing Asia—one of the most closed regions to trade in 1980—progressively dismantled barriers to trade.

However, it is noteworthy that all groups of emerging market and developing countries, when aggregated by income group or by region, have been catching up with or surpassing high-income countries in their trade openness, reflecting the widespread convergence of low- and middle-income countries' trade systems toward the traditionally more open trading regimes in place in advanced economies.

Financial globalisation has also proceeded at a very rapid pace over the past two decades.

Total cross-border financial assets have more than doubled, from 58 percent of global GDP in 1990 to 131 percent in 2004. The advanced economies continue to be the most financially integrated, but other regions of the world have progressively increased their cross-border asset and liability positions .

However, de jure measures of capital account openness present a mixed picture, with the newly industrialised Asian economies (NIEs) and developing economies showing little evidence of convergence to the more open capital account regimes in advanced economies,



Has Income Distribution Within Countries Become Less Equal?

Cross-country comparisons of inequality are generally plagued by problems of poor reliability, lack of coverage, and inconsistent methodology.

Some of these issues are discussed in more detail. This chapter relies on inequality data from the latest World Bank Povcal database constructed by Chen and Ravallion (2004, 2007) for a large number of developing countries. This database uses a more rigorous approach to filtering the individual

income and consumption data for differences in quality than other commonly used databases, which rely on more mechanical approaches

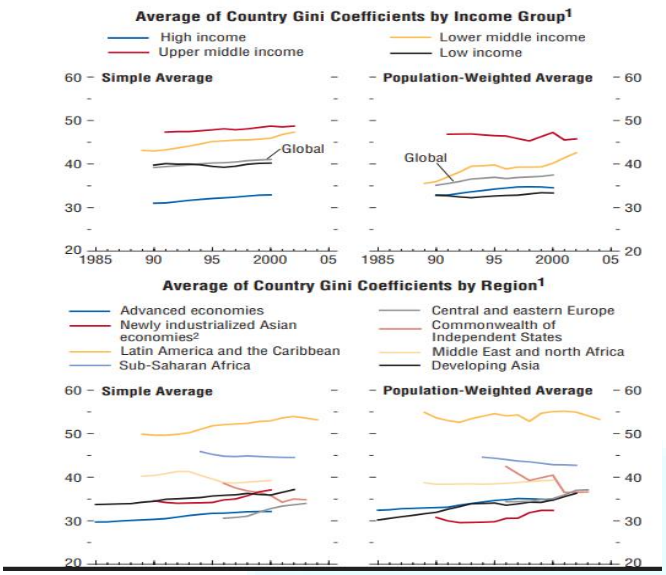
What Is the Impact of Globalization on Inequality?

Against this background, it is natural to ask how much of the rise in inequality seen in middle- and high-income countries in recent decades can be attributed to increased globalisation, and how much to other factors, such as the spread of technology and domestic constraints on equality of opportunity.

This section first discusses the channels through which the globalisation of trade and finance could affect the distribution of incomes within a country, setting the stage for the empirical analysis that follows.

Figure 4.3. Cross-Country Trends in Inequality
(Gini coefficient)

Inequality has risen in developing Asia, central and eastern Europe, the NIEs, and the advanced economies, while falling in the Commonwealth of Independent States and, to a lesser extent, in sub-Saharan Africa.



Role of world bank

THE WORLD BANK
IBRD • IDA | WORLD BANK GROUP

The World Bank is an international development organisation owned by 187 countries. Its role is to reduce poverty by lending money to the governments of its poorer members to improve their economies and to improve the standard of living of their people.

The Bank is also one of the world's largest research centres in development. It has specialised departments that use this knowledge to advise countries in areas like health, education, nutrition, finance, justice, law and the environment.

Another part of the Bank, the World Bank Institute, offers training to government and other officials in the world through local research and teaching institutions.

The World Bank was established in 1944 to help rebuild Europe and Japan after World War II. Its official name was the International Bank for Reconstruction and Development (IBRD). When it first began operations in 1946, it had 38 members. Today, most of the countries in the world are members.

Do we need a World Bank?

Without a place like the World Bank from which to borrow money, the world's poorest countries would have few, if any, ways to finance much-needed development projects. The projects are essential to helping people become educated, live healthy lives, get jobs, and contribute as active citizens.

How the World Bank is organised

The World Bank has created new organisations within itself that specialise in different activities. All these organisations together are called the World Bank Group. It consists of:

• IBRD lends to low- and middle-income countries;

• International Development Association (IDA) lends to low-income countries;

• International Finance Corporation (IFC) lends to the private sector;

• Multilateral Investment Guarantee Agency (MIGA) encourages private companies to invest in foreign countries; and

• The International Centre for Settlement of Investment Disputes (ICSID) helps private investors and foreign countries work out differences when they don't agree.

How decisions are made?

The Bank is run like a giant cooperative, where its members are shareholders and is operated for the benefit of those using its services. The number of shares a country has is based roughly on the size of its economy. The United States is the largest single shareholder, followed by Japan, Germany, the United Kingdom, and France. The rest of the shares are divided among the other member countries.

A Board of Governors represents the Bank's government shareholders. Generally, these governors are country ministers, such as Ministers of Finance or Ministers of Development. The governors are the ultimate policymakers in the World Bank. They meet once a year at the Bank's Annual Meetings.

At the Annual Meetings, all of the Bank's and International Monetary Fund 's (IMF) governors decide how best to address global development issues and decide what the world should focus on in the upcoming year (and near future) to help reduce poverty in the world.

Since the governors meet only once a year, they give specific duties to their Executive Directors, who work on-site at the Bank. Every member government is represented by an Executive Director. The five largest shareholders (France, Germany, Japan, the United Kingdom and the United States) appoint an executive director each, while other member countries are represented by 19 Executive Directors.

The Bank's 24 Executive Directors oversee the Bank's business, including approving loans and guarantees, new policies, the administrative budget, country assistance strategies, and borrowing and financial decisions.

Loans and the World Bank

The Bank lends money to middle-income countries at interest rates lower than the rates on loans from commercial banks. In addition, the Bank lends money at no interest to the poorest developing countries, those that often cannot find other sources of loans. Countries that borrow from the Bank also have a much longer period to repay their loans than commercial banks allow and don't have to start repaying for several years.

Source of money

The Bank borrows the money it lends. It has good credit because it has large, well-managed financial reserves. This means it can borrow money at low interest rates from capital markets all over the world to then lend money to developing countries on very favourable terms.

The Bank's financial reserves come from several sources - from funds raised in the financial markets, from earnings on its investments, from fees paid in by member countries, from contributions made by members (particularly the wealthier ones) and from borrowing countries themselves when they pay back their loans.

The Bank lends only a portion of the money needed for a project. The borrowing country must get the rest from other sources or use its own funds. Eventually, since the country has to pay back its loans, it ends up paying for most, if not all, of the project itself.

World Bank loans help countries:

- **Supply safe drinking water**
- **Build schools and train teachers**
- **Increase agricultural productivity**
- **Manage forests and other natural resources**
- **Build and maintain roads, railways, and ports**
- **Extend telecommunications networks**
- **Generate and distribute energy**

• **Expand health care**

• **Modernise**

The Bank also tries to encourage investment and lending by countries, companies, and private investors. It also lends money to hire industry experts to help countries to reshape their economies to make them more efficient and productive.

Money isn't the only type of support that the Bank provides. Often, it is the advice and experience the Bank's staff brings to a project or the environmental and social standards it applies that are also important.

How Does a Project Work?

• A project begins when a country identifies a need, develops a plan, and asks the Bank for a loan. Experts from the borrowing country and the World Bank then study the plan carefully.

• Bank staff carefully review the project and ask questions like: Will the project help the country's economy? Will it benefit the poorest people and increase economic opportunities for women? What impact would it have on the environment, both now and in the future? Can other funding sources be found? Will the country be able to maintain the project once funding ends?

• Negotiations take place on how to implement the strategy. Once an agreement is reached, and the loans are approved, work can begin. The Bank carefully monitors progress and pays out the loan in instalments.

• Assessing the effect of projects the Bank supports is essential in developing countries. Resources are scarce and must be used where they can have the largest effect. Monitoring helps project managers know if programs are reaching the people they are aimed at or if these programs are ineffective and wasteful. Monitoring and assessment also provide information and data on which future projects are designed.

Role of world trade organisation (WTO)

World Trade Organization (WTO)?

Created in 1995, the World Trade Organization (WTO) is an international institution that oversees the rules for global trade among nations. It superseded the 1947 General Agreement on Tariffs and Trade (GATT) created in the wake of World War II.

The WTO is based on agreements signed by a majority of the world's trading nations. The main function of the organisation is to help producers of goods and services, as well as exporters and importers, protect and manage their businesses.

As of 2021, the WTO has 164 member countries, with Liberia and Afghanistan the most recent members, having joined in July 2016, and 25 “observer” countries and governments.1

- The World Trade Organization (WTO) oversees global trade rules among nations and mediates disputes.
- The WTO has been a force for globalisation, with both positive and negative effects.
- Big businesses tend to support the WTO for its positive impact on international economic growth.
- Sceptics see it as increasing the wealth gap and hurting local workers and communities.

Understanding the World Trade Organization (WTO)

The WTO is essentially an alternative dispute or mediation entity that upholds the international rules of trade among nations. The organisation provides a platform that allows member governments to negotiate and resolve trade issues with other members. The WTO’s main focus is to provide open lines of communication concerning trade among its members.

Achieving higher living standards, full employment and sustainable development is the aim of the WTO’s member governments, as expressed in the WTO’s founding Marrakesh Agreement. The means for achieving this include the “substantial reduction of tariffs and other obstacles to trade”.

This process of trade opening takes place in the framework of WTO rules, which take into account the fact that some countries are better equipped than others to open their markets widely. Some countries, for instance, have a more advanced legal, regulatory and physical infrastructure than others. Generally speaking,

It is easier for developed countries to open their markets than for many developing countries.

As a result, average tariffs (import duties) in developed countries, at least for manufactured goods, are much lower than in developing countries — although this is not true in every case or for every product.

Open economies tend to grow faster and more steadily than closed economies and economic growth is an important factor in job creation. Profitable companies tend to hire more workers than those posting a loss. Trade can also be a catalyst for greater efficiency and productivity. This is because companies

have access to a wider range of high-quality, affordable inputs. They also have access to technology and know-how they could not obtain in a closed economy. Access to technology and quality inputs can boost innovation and creativity in the workplace.

Moreover, competition in the marketplace can be a powerful stimulus to companies seeking new ways of making things better and more cheaply. An infusion of new ideas from other countries can make companies more productive. So can enhanced access to export markets. But doing things more productively often means doing more with less and that can mean using fewer workers. Inevitably, this means that some workers in some industries will lose their jobs.

This is part of what economists call “churn” and what the Austrian-American economist Joseph Schumpeter termed “creative destruction”. It has been part of economic life for centuries and it can bring pain. But history

tells us that countries seeking to block incoming goods, services or ideas often find their economies stagnating.

It is important to acknowledge that while trade holds real benefits for most people, most of the time — consumers as well as producers — there are people who are hurt by trade. Recognizing that trade can be a threat is important socially and politically. Workers who have lost their jobs need support and polls strongly suggest that people are far more likely to favour trade opening if they know that such support will be available.

This is why governments need to maintain effective social programmes that can protect workers who lose their jobs through trade and help train them to find new jobs.

Role of multinational corporations

Prior to 1991, multinational companies did not play much role in the Indian economy. In the pre-reform period the Indian economy was dominated by public enterprises. To prevent concentration of economic power the Industrial Policy 1956 did not allow the private firms to grow in size beyond a point. By definition multinational companies are quite big and operate in several countries. While multinational companies played a significant role in the promotion of growth and trade in South- East Asian countries they did not play much role in the Indian economy where import-substitution development strategy was followed.

Since 1991 with the adoption of industrial policy of liberalisation and privatisation, the role of private foreign capital has been recognised as important for rapid growth of the Indian economy. Since the source of the bulk of foreign capital and investment are multinational corporations, they have been allowed to operate in the Indian economy subject to some regulations.

1. Promotion of Foreign Investment:

In recent years, external assistance to developing countries has been declining. This is because the donor developed countries have not been willing to part with a larger proportion of their GDP as assistance to developing countries.

MNCs can bridge the gap between the requirements of foreign capital for increasing foreign investment in India. The liberalised foreign investment pursued since 1991 allows MNCs to make investment in India subject to different ceilings fixed for different industries or projects.

However, in some industries 100 percent export-oriented units (EOUs) can be set up. It may be noted that, like domestic investment, foreign investment also has a multiplier effect on income and employment in a country. For example, the effect of Suzuki firm's investment in Maruti Udyog manufacturing cars is not confined to income and employment for the workers and employees of Maruti Udyog but goes beyond that.

Many workers are employed in dealer firms who sell Maruti cars. Moreover, many intermediate goods are supplied by Indian suppliers to Maruti Udyog and for this many workers are employed by them to manufacture various parts and components used in Maruti cars. Thus their incomes also go up by investment by a Japanese multinational in Maruti Udyog Limited in India.

2. Non-Debt Creating Capital Inflows:

In the pre-reform period in India when foreign direct investment by MNCs was discouraged, we relied heavily on external commercial borrowing (ECB) which was debt-creating capital inflows. This raised the burden of external debt and debt service payments reached the alarming figure of 35 percent of our current account receipts. This created doubts about our ability to fulfil our debt obligations and there was a flight of capital from India and this resulted in a balance of payments crisis in 1991.

As direct foreign investment by multinational corporations represents non-debt creating capital inflows we can avoid the liability of debt-servicing payments. Moreover, the advantage of investment by MNCs lies in the fact that servicing of non-debt capital begins only when the MNC firm reaches the stage of making profits to repatriate. Thus, MNCs can play an important role in reducing stress and strains on India's balance of payments (BOP).

3. Technology Transfer:

Another important role of multinational corporations is that they transfer highly sophisticated technology to developing countries which are essential for raising productivity of the working class and enable them to start new productive ventures requiring high technology. Whenever, multinational firms set up their subsidiary production units or joint-venture units, they not only import new equipment and machinery embodying new technology but also skills and technical know-how to use the new equipment and machinery.

4. Promotion of Exports:

With extensive links all over the world and producing products efficiently and therefore with lower costs multinationals can play a significant role in promoting exports of a country in which they invest. For example, the rapid expansion in China's exports in recent years is due to the large investment made by multinationals in various fields of Chinese industry. Historically in India, multinationals made large investments in plantations whose products they exported. In recent years, Japanese automobile company Suzuki made a large investment in Maruti Udyog with a joint collaboration with the Government of India. Maruti cars are not only being sold in the Indian domestic market but are exported in a large number to the foreign countries.

5. Investment in Infrastructure:

With a large command over financial resources and their superior ability to raise resources both globally and inside India it is said that multinational corporations could invest in infrastructure such as power projects, modernisation of airports and ports, telecommunication. The investment in infrastructure will give a boost to industrial growth and help in creating income and employment in the Indian economy. The external economies generated by investment in infrastructure by MNCs will therefore crowd in investment by the indigenous private sector and will therefore stimulate economic growth.

ROLE OF LPG REFORMS

Nature and Scope of 1991 Reforms: In order to get out of the macro-economic crisis in 1991, India launched a New Economic Policy, which was based on LPG or **Liberalisation, Privatisation and Globalization model.**

Then Finance Minister, Manmohan Singh, was the prime architect of the historic 1991 liberalisation.

The broad range of reforms under the LPG model included:

Liberalising Industrial Policy: Abolition of industrial licence permit raj, Reduction in import tariffs, etc.

Beginning of Privatisation: Deregulation of markets, Banking reforms, etc.

Globalisation: Exchange rate correction, liberalising foreign direct investment and trade policies, Removal of mandatory convertibility cause, etc.

These reforms are credited and applauded for the high economic growth seen from 1991 to 2011 and substantial reduction of poverty from 2005 to 2015.

India made LPG reforms in 1991. LPG reforms are also known as liberalisation, privatisation and globalisation reforms. They have transformed the way India as an economy works and opened the country up to the world for trade and commerce.

Pre-LPG Era

- After Independence and pre-LPG reforms, India ran on the principle of state interference in labour and financial markets.
- Moreover, industrialisation was under State monitoring. There was also central planning, business regulation and a large public sector.
- Further, the Indian economy was closed, with the Indian rupee being inconvertible.
- There was a strong belief that India needed to rely on internal markets and not external trade for development.
- Finally, PSUs were considered the vehicle of growth, and there were restrictions on MNCs (Multinational Corporations) and FDIs

Factors that Led to the LPG Reforms in India

- The inflation rate rose from 6.7% to 16.7% during this period. India's position as an economy grew from bad to worse.
- There was a rise in the fiscal deficit of the country as well. Public debt and interest were high, accounting for 36.4% of total government expenditure.
- Furthermore, there was an increase in adverse balance of payments. To clear this, the government had to obtain many foreign loans, which correspondingly led to a rise in the interest payment.
- Poor performance of PSUs became a substantial government liability.
- Outbreak of the Iraq war led to the rise in petrol prices.

- Lastly, India's foreign reserves fell in 1990-1991.

Features of LPG Policy

Some of the important policies of LPG reforms are –

- **Removal of the industrial raj**
- **Dilution of the role of the public sector**
- **Start of privatisation**
- **Reduction in import tariffs**
- **Market deregulation**
- **Reduction of taxes**
- **Free entry to foreign investment and technology**

Some of the positive outcomes of the LPG reforms are as follows –

India's GDP growth rate increased.

There was a strong flow of FDIs.

Decline in unemployment

Per capita income increased

Exports increased.

Consequences of globalisation in third world countries.

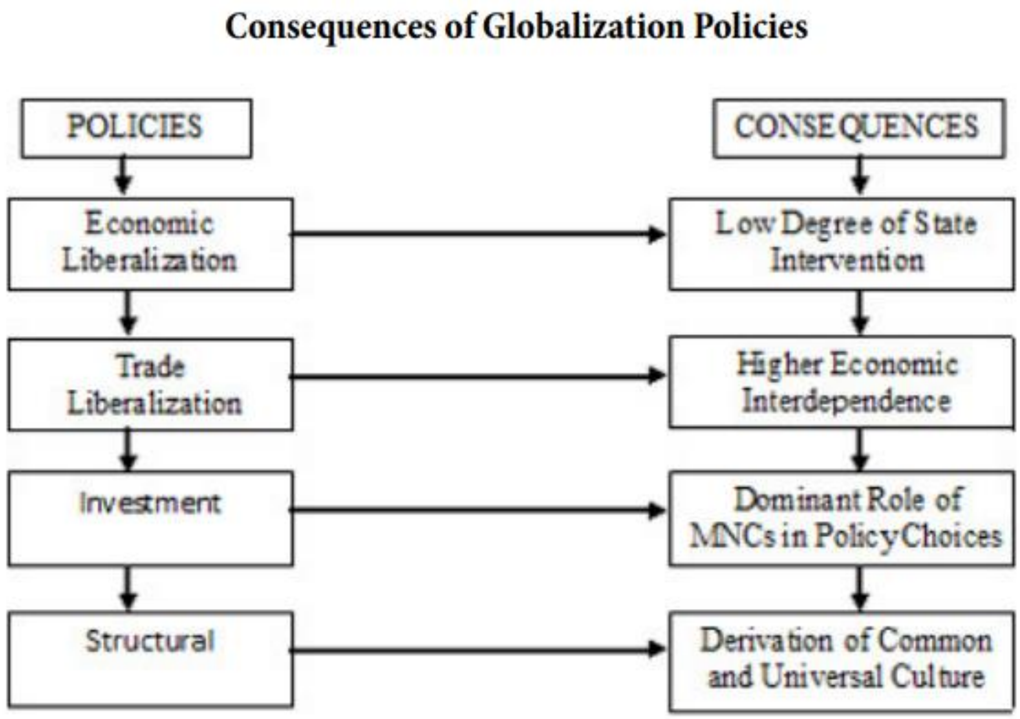
- Developing countries are affected positively and negatively in many aspects, from internal affairs to external affairs.
- Globalisation can have very drastic impacts on a country both positive and negative.

- I will examine the effects both positive and negative of globalisation on developing countries' economies, Trade processes, education and health systems.
- **Globalisation** has helped less developed countries deal with the increasing economic development in the rest of the world. This has solved the poverty problems in these countries. In the past this was impossible for less developed countries due to trade barriers.
- The World Bank and International Management encourage these less developed countries to go through market reform. Many countries began to move towards these changes by removing tariffs and freeing up their economies.
- Fariooz Hamdi "**The Impact of Globalization in the Developing Countries"** LinkedIn June 11th 2015. Developed nations invest in less developed nations which lead to creation of jobs for poor people in the less developed countries, this is a positive outcome of globalisation.
- However, globalisation has had its negative effects on these less developed nations. Globalisation has increased inequality in developing nations between the rich and the poor. The benefit of globalisation is not universal.
- **Globalisation is making the rich richer and the poor poorer.**

- The health and education system in developing countries has benefited in a positive way due to the contribution of globalisation.

Education has increased in recent years because globalisation has created jobs that require a higher education.

- “**Health and education are basic objectives to improve any nations,** and there are strong relationships between economic growth and health and education systems” Fariooz Hamdi “
- The Impact of Globalization in the Developing Countries” LinkedIn June 11th 2015. Globalisation has helped improve developing countries' rates of illiteracy, living standards and life expectancy. According to the World Bank (2004) “ With globalisation, more than 85 percent of the world’s population can expect to live for at least sixty years and this is actually twice as long as the average life expectancy 100 years ago”. Increased trade and travel, diseases for example HIV/AIDS, Swine Flu and a variety of plant diseases, move easily across borders.i“The Impact of Globalization in the **Developing Countries' ' November** 11th 2013.
- Another drawback to globalisation is the loss of highly educated and qualified professionals in developing countries due to migration to developed countries for a better life.



Economic Consequences of Globalization in third World

- Invalidity of Keynesian prescription based on wage-price rigidity for economic adjustment relied mostly on public intervention.
- It prepared the ground for the rejection of the fixed exchange rate regime in the early 1970s.
- State assisted capitalism initially in the 1970s and rigorously in the 1980s gradually paved the way for the rapid process of globalisation.
- The initial stage of globalisation was economic liberalisation.
- It refers especially to trade and market liberalisation whereas

- globalisation is related to open economy weakening the border wall; globalisation is unrestricted or initiates easy movement of the factors of production, goods, services, information and technology, same treatment of foreign goods, services, technology
- together with structural changes in production and employment according to the line and preference of multinational companies (MNCs).
- As a result, globalisation makes the role of state diminish, increases cross border economic interdependence,
- integrates the financial market, rapids the movement of information technology, dominates national policy choice and derives a common culture. us, the consequences of globalisation policies in the developing nations are as follow
- Globalisation processes ultimately change the economic structure of the countries in general, and that of the low income nations in particular are overwhelmingly put under the umbrella of the MNCs in technologically advanced countries.
- In this way, the competition prevails only at the level of multinational companies elsewhere,which are equipped with capital intensive production techniques and similar patterns
- of employment structures. As a result, the formal sector of the economy experiences displacement effect, price effect, capital intensity effect, income inequality effect, lag

- of social security effect, local governance effect and social effect. In the similar way, The informal sector of the economy experiences a delinking effect, capital and small cottage industries effect.
- Globalisation issues, in this sense, have brought people and countries closer and increased their mutual interdependence with higher raw trade, technologies, information and investments fuelling economic progress and creating vast opportunities for human progress.
- But such progress as enlarged opportunities and interdependence has been quite unbalanced, unequal and unmanaged because of lack of shared values, shared benefits and shared concerns towards those who are marginalised and left behind.
- In brief, globalisation seems to be more fruitful to advanced countries and it is ineffective to solve the fundamental problems of the third world. It is clear that globalisation and liberalisation are unable to solve the fundamental problems of the developing nations such as massive poverty, increasing unemployment and underemployment, lack of social and economic overheads, widespread and multidimensional human deprivations, hunger, social tension, increasing inequality, dislocations of millions of people and so on. If looked back to the 1980s, 90s and the first decade of the twenty-first century, all these problems have been found to be associated with man-made crises and environmental

degradation, which have been the major issues of today's third world countries since the 1980s.

Indian Experiences of Development

Appraisal of Five Year Plans

India adopted a system of five yearly planning to address its various socioeconomic problems. These problems included mass poverty and inequality, low productivity in agriculture and storage of food grains, lack of industrial and infrastructural development etc. Since these needed to be solved over a long period, the Indian government adopted a five-year plan starting from the first year plan in 1951. The idea was to make a list of important problems to be solved keeping in view the given resources and the capacity to arrange the resources.

First Five-Year Plan: 1951-56- India was confronting the problems of huge influx of refugees, food shortage and severe inflation. The plan, thus, focused on the primary sector, that is, the agricultural sector to increase the food production in India to overcome the crisis.

Second Five-Year Plan: 1956-61- It focused on rapid industrialisation. The plan aimed at the development of heavy and basic industries and conceived that the agricultural sector could be given lower priority as it has been able to achieve its targets in the previous plan.

Third Five-Year Plan: 1961-66. It was prepared with the mindset that India has entered the 'take-off stage' and it is time for it to become a self-reliant and self-generating economy. The plan gave priority to both agriculture as well as the industrial sector.

Fourth Five-Year Plan: 1969-74- It had two basic objectives: growth with stability and progressive achievement of self-reliance. It stressed upon the growth of the agricultural sector and it was during this period that various family planning measures were introduced to control the rising population.

Fifth Five-Year Plan: 1974-79- It proposed two main objectives: removal of poverty and attainment of self-reliance. The plan aimed at achieving its objectives by achieving high growth rate, equitable distribution of income and increase in domestic savings.

Sixth Five-Year Plan: 1980-85- It was based on Nehru's model of growth and aimed at a direct attack on the problem of poverty by creating conditions for increasing employment opportunities. Many employment generation schemes such as Training of Rural Youth for Self-Employment (TRYSEM) and Integrated Rural Development Programme (IRDP) were introduced.

Seventh Five-Year Plan: 1985-1990- It aimed at accelerating food grain production, creating employment opportunities and raising labour productivity. The focus of the plan was on 'food, work and productivity'.

Eighth Five-Year Plan: This plan could not be formulated in 1990 due to the uncertain political situation at the centre. Therefore, two annual plans for the years 1990-91 and 1991-92 were formulated. During 1991, India had to face a severe balance of payment crisis. The debt burden was mounting and the fiscal deficit was widening. The government led by P.V. Narasimha Rao introduced the economic reforms in 1991, after which the eighth plan was launched in 1992 for the period 1992-97 reflecting the reforms with various structural adjustment policies.

Ninth Five-Year Plan: 1997-2002- Its aim was to achieve "growth with social justice and equality". It recognised the critical role of the state in the social sectors such as health care, education and infrastructure, since the market forces, by themselves, may not make these areas attractive to the private sector.

Tenth Five-Year Plan: 2002-2007. It set forth measurable targets on development indicators such as infant mortality rate, literacy, access to electricity, sanitation facilities, sustainable food production and environment.

Eleventh Five-Year Plan: 2007-2012- With the objective of achieving fast and inclusive growth, it had set targets for various socio-economic indicators. It aimed at achieving a GDP growth rate of 9%, agricultural growth rate of 4%, generating 58 million employment opportunities, increase in wages of unskilled laborers, reduction in poverty by 10%, reduction in drop-out rate, increasing literacy to 85%, reducing gender gap, infant mortality rate and total fertility rate, reducing malnutrition among children, provision of safe drinking water, improvement in sex ratio, development of infrastructure and communication.

Twelfth Five-Year Plan: 2012-2017- It focused on achieving faster, inclusive and sustainable growth. It aimed at achieving inclusive growth by reducing poverty, reducing inequality, empowering people and by bringing in balanced regional development.

The goals towards sustainable development focused on environmental sustainability, improvements in the health and education sector and development of physical infrastructure such as transport, telecommunication, power, etc.

Analysis of the Five-Year Plans in India's Economic Development

- The first five-year plan was quite successful as the targeted growth rate was 2.1 percent and the achieved growth rate was 3.6 percent.
- The second plan achieved only a moderate success due to the severe shortage of foreign exchange on account of huge imports to meet the requirements of the industrial sector.
- The actual growth rate achieved in the plan was 4.3% against the target of 4.5%.
- The growth rate achieved in the third plan was 2.8% as against the target of 5.6 %.
- While the fourth plan aimed at a highly ambitious growth rate of 5.7%, it could achieve only 3.3 %.
- The fifth plan was an utter failure due to high levels of inflation.
- The sixth plan progressed as perceived by the planners during the first four years, a severe famine occurred in the fifth year i.e., 1984-85.
- Therefore, the agricultural output declined drastically. However, the economy still managed to grow at 5.7% as against the target of 5.2%.
- The seventh plan was quite successful and recorded a growth rate of 6 percent as against the targeted growth rate of 5 per cent.
- The eighth plan achieved a growth rate of 6.8% as against the targeted growth rate of 5.6%.
- The ninth plan aimed at a GDP growth rate of 7%. However, due to poor performance of the economy during 1997-98, the growth

target was revised to 6.5%. Yet, the target could not be achieved and the economy grew only at a rate of 5.4%.

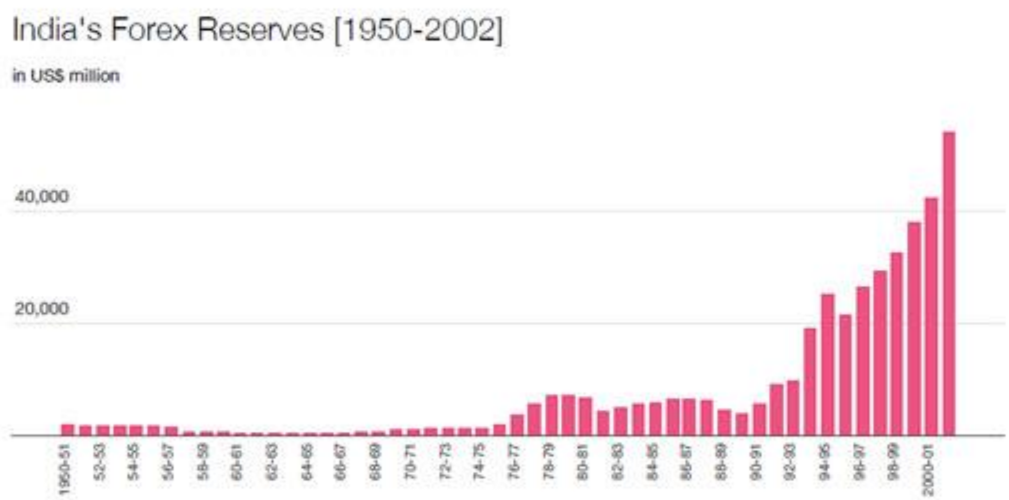
- The tenth plan targeted a growth rate of 8 percent. However, it was not successful in terms of poverty reduction, generating employment opportunities and performance of the agricultural sector. Many poor states faced decelerating growth.
- The eleventh plan had an ambitious target of achieving a growth rate of 9%. Though the economy took off well, achieving a growth rate of 9.3% during the first year, it had a drastic fall to 6.7% in 2008-09 due to the global financial crisis.
- The 12th FYP achieved a growth rate of 8%.

consequences of Economic reforms 1991

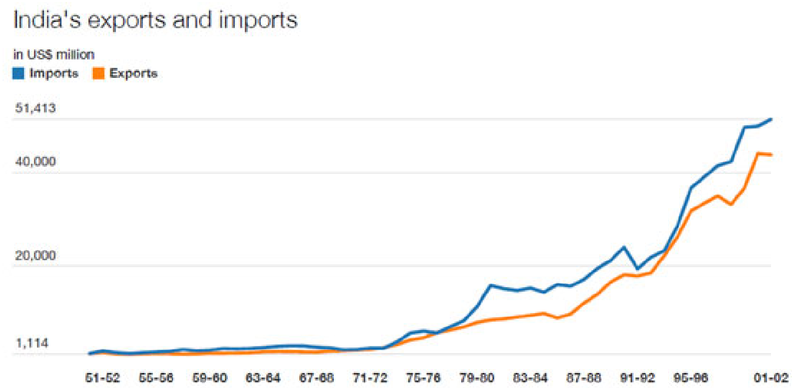
Positives

Through reform, India overcame its worst economic crisis in the remarkably short period of two years.

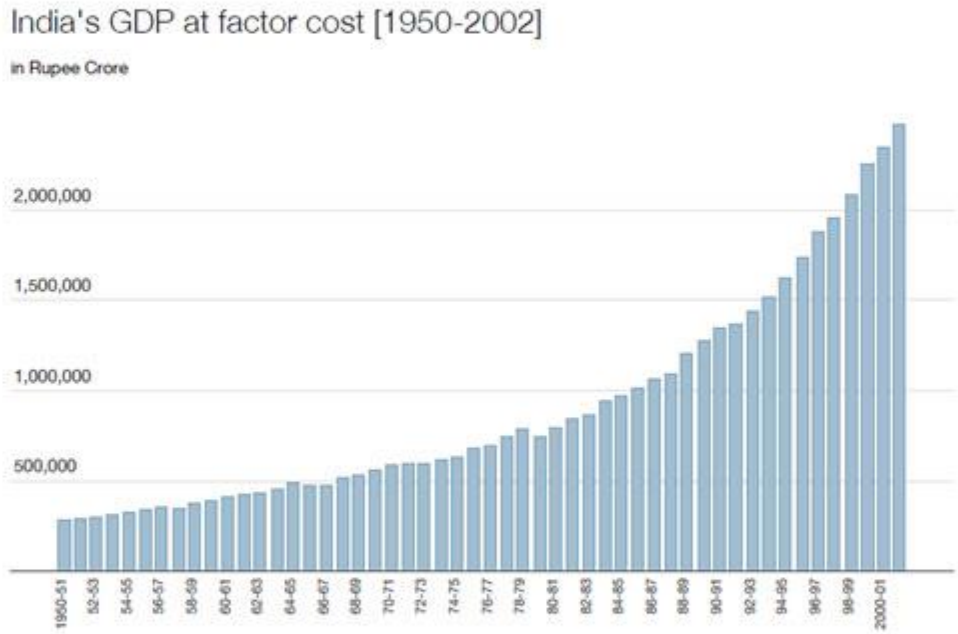
Thanks to prudent macroeconomic stabilisation policies including devaluation of rupee and other structural reforms, the BoP crisis was over by the end of March 1994 and foreign exchange reserves rose to USD 15.7 billion. Inflows of both FDI and FII into India have increased massively.



India also increasingly integrated its economy with the global economy. The ratio of total exports of goods and services to GDP in India approximately doubled from 7.3 percent in 1990 to 14 percent in 2000. This rise was less dramatic on the import side but was significant, from 9.9 percent in 1990 to 16.6 percent in 2000. Within 10 years, the ratio of total goods and services trade to GDP rose from 17.2 percent to 30.6 percent.



- Reforms led to increased competition in the sectors like banking, leading to more customer choice and increased efficiency. It has also led to increased investment and growth of private players in these sectors.
- There was a fall in inflation rates as reforms pushed up production of goods and services resulting in either prices falling or remaining constant. Competition also helped to keep inflation in check.
- There was a significant Improvement in GDP, from __ in 1950, to ___ in 2000.



Impact of Reforms Post-1992

- Poverty reduced from 36 percent in 1993-94 to 26.1 percent in 1999-00. The poverty ratio in rural areas and in urban areas declined.
- There was an increase in air travel and expansion in the civil aviation sector due to reforms. In order to promote competition, the government adopted the Open Skies Policy (through which private players were allowed into the aviation sector) in 1991.

- The results of this policy are visible today with private players in the domestic aviation market as well as the international markets.
- As a result of the reforms that opened the borders to foreign goods, there was easier access to foreign technology. A good example of this is cell phone technology.
- The post 1991 era also saw an expansion of the automobile sector, easy availability of motor vehicles, increased competition in the sector and reduction in prices of motor vehicles.
- Once India developed a name in the global markets, there was also an increase in the number of foreign tourists.
- Reforms led to the achievement of recognizable increases in international competitiveness in a number of sectors including auto components, telecommunications, software, pharmaceuticals, biotechnology, research and development, and professional services provided by scientists, technologists, doctors, nurses, teachers, management professionals and similar professions.
- There was a vast expansion of the telecommunication sector. In fact, this sector has been one of the biggest beneficiaries of economic reforms. Once heavily shackled by regulation and government monopoly, the sector now has several competing service providers. The telecom policy evolved from the National Telecom Policy in 1994 to open up all the sectors to private players.

- By the beginning of the 1990s, India was reeling under double-digit inflation, gross fiscal deficits above 7.5 percent of GDP, internal debt close to 54 percent of GDP and foreign currency reserves were just enough to cover import bills of a fortnight. Further, there was a new government at the Centre.

- With an economic crisis looming and political confidence on the verge of collapse, the economy was at its Nadir. It was a 'TINA' (there is no alternative) situation for Singh, to turn the crisis into an opportunity and undertake structural reforms that were long overdue.
- **Liberalisation** started with a dose of devaluation and was followed by slew of policies which together were famously termed as LPG

(Liberalisation, Privatisation and Globalisation) reforms. As is always the case, the change was not welcomed by all. There was political resistance from within and outside the ruling party since many were not sanguine about its success.

- Thirty years down the line, from a GDP of $512.92 billion in 1991, India had grown to a $2.70-trillion (in constant 2010 US$) by 2020. Besides, the average annual growth rates in GDP, post the 1990s, have been around 6.25 per cent against 4.18 per cent for the three decades prior to the reforms.

Less volatility

- Thanks to the increase in the share of services over the erratic agricultural sector, the growth rates post-reforms have been less volatile than earlier years. The coefficient of variation in the annual growth rates of GDP has declined from 80 per cent during 1961-1990 to 30 per cent in 1991-2020. Inflation and government deficits have also turned favourable.

- The average annual rates of inflation in the post-reform period were significantly lower at around 5 percent and the gross fiscal deficit below 4.80 per cent of GDP. While curbing automatic monetisation of deficits and strong monetary measures contributed to lower inflation, it was disinvestment in privatisation and fiscal restraint in form of lower subsidies that arrested the deficits.

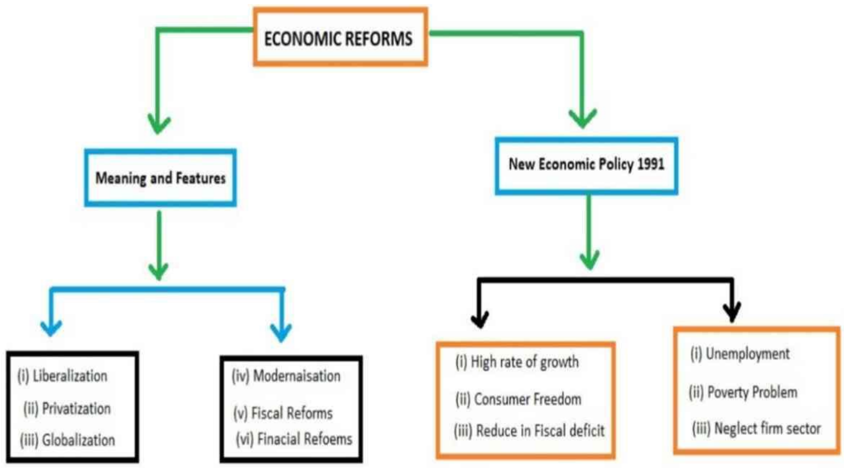
- On the external front, the reforms made a significant impact too. Firstly, India's trade openness increased from a meagre 13 per cent in 1990-91 to 42 per cent in 2020. The exports, driven by the devaluation of the rupee in 1991 and further depreciation in later years, have increased from $17.96 billion in 1990 to $324.43 billion in 2019.
- Abolition of licence- raj and curbing of excessive regulations saw rewards in terms of better foreign investment. From $236.69 million in 1991 the net FDI inflows stood at $50.61 billion in 2020. With more foreign companies entering India, domestic consumers benefited from healthy market competition. For Indian manufacturing, the foreign collaborations meant access to technology and, thereby, efficient production. Also, there has been a significant improvement in forex reserves, which are now sufficient to cover 15 months' imports.
- Opening up the economy also makes it susceptible to external shocks. Within a few years after the reforms, the first challenge for India came from its East Asian neighbours in 1997. In a span of three years, the world economy was hit by the dot-com bubble, and the third challenge came in the form of the global financial crisis in 2008. It was prudent economic policies and disciplined financial markets that helped the Indian economy to resist and recover quickly from all the three crises.

- The reforms also had a telling impact on India's socio-economic fabric. From about 45 percent of the population below the national poverty line in 1994, the rates have fallen to 21.9 percent in 2011. There have also been improvements in literacy rates, gross enrolment ratio and life expectancy, among others.

Rich-poor divide

- However, a major criticism about the reforms has been that it has widened the gap between rich and poor. The World Bank estimates show that the Gini index, a measure of income inequality, has deteriorated marginally from 31.7 in 1993 to 35.7 in 2011.
- According to NSSO consumption surveys, while the bottom 20 percent of population contributed to 9.20 per cent of consumption expenditure in 1993-94, their contribution has declined to 8.10 per cent in 2011-12. Further, the share of the top 20 percent of population has fattened from 39.70 per cent to 44.70 per cent during the same time period.
- A major reason for the rising inequality is the heterogeneity of the Indian population, leading to varying adjustment capacity. The inequalities also can stem from structural changes induced by the reforms.
- While the increase in the share of the service sector to GDP has its advantages, it has also resulted in reduction of share of agriculture income in the total GDP. With close to 42 percent of the workforce

employed in agriculture, a reduction in income share would imply a wider gap between respective incomes.



Converting a crisis into an opportunity is riskier than it sounds. In the current scenario, India needs to act quickly to avoid an imminent crisis. If not resolved, the growing NPA problem can aggravate the balance-sheet imbalances of the banking sector. This would require reforms to make the banking and financial sector more transparent and accountable.

While Covid-19 has been a big blow, the economy was already showing signs of deteriorating growth even in periods preceding the pandemic. This would require immediate intervention to tackle the predicaments of unemployment, poverty and other social issues. The pandemic has also raised concerns over existing health infrastructure and the future of education. The government must make higher investments in these sectors.

- **The reforms** were largely in the formal sector of the economy, the agriculture, urban informal sector and forest dependent communities did not see any reforms. This led to uneven growth and unequal distribution of economic freedom among people.
- **Economic liberalisation** in the organised manufacturing sector (subjected to rigid labour laws) has led to growth with very little additional employment.
- **Market-based economic reforms** also often lead to increasing disparities between the rich and the poor and between infrastructurally backward and more developed states.
- **Social sectors** like health and education have been neglected. These areas, though very important, were not focused upon and the result can be seen in the dismally low levels of education and health indicators today.
- **Economic reforms** have accelerated growth but failed to generate adequate employment. For example, the rural unemployment rate, after declining to 5.61 percent in 1993-94, rose to 7.21 percent in 1999-2000 as did the All-India (urban plus rural) rate of unemployment.

Impact of globalisation of Indian Society

Globalisation has virtually diminished the distances and connected the whole world. Read here to know the effect of globalisation on Indian society.

Globalisation is a term used to describe how trade and technology have made the world a more connected and interdependent place. Globalisation also captures in its scope the economic and social changes that have come about as a result.

In today’s world, consumers have a wide choice of goods and services before them. The latest models of digital cameras, mobile phones, and televisions made by the leading manufacturers of the world are within reach. Every season, new models of automobiles can be seen on Indian roads. Gone are the days when Ambassador and Fiat were the only cars on Indian roads.

Today, Indians are buying cars produced by nearly all the top companies in the world. A similar explosion of brands can be seen for many other goods: from shirts to televisions to processed fruit juices. Such a wide-ranging choice of goods in our markets is a relatively recent phenomenon.

One wouldn't have found such a wide variety of goods in Indian markets two decades back. In a matter of years, our markets have been transformed! How do we understand these rapid transformations? What are the factors that brought about these changes? And, how did these changes affect the lives of the people? The answer to all these questions starts with 'globalisation'.

Effect of globalisation on Indian society

Globalisation has several aspects and can be political, cultural, social, and economic, out of which financial integration is the most common aspect. India is one of the fastest-growing economies in the world and is predicted to reach the top three in the next decade.

India's massive economic growth is largely due to globalisation which was a transformational change that didn't occur until the 1990s. Since then, the country's gross domestic product (GDP) has grown at an exponential rate.

The many effects of globalisation on Indian society and multiple aspects of it have been discussed here.

Impact of globalisation on the Indian economy

Overall, globalisation has improved various aspects of India, like:

- **International trade relations**
- **Economy**
- **Technology and communication**
- **Corporate world**
- **Social and cultural expansion**

The reduction of export subsidies and import barriers enabled free trade that made the Indian market attractive to the international community. The untapped potential of the nascent Indian market was opened to the global market and the significant changes were made to its industrial, financial, and agricultural sectors:

Industrial sector: It saw a massive influx of both foreign capital investments' India became a favourite offshore market for pharmaceutical manufacturing, chemical, and petroleum industries. This brought advanced technologies and processes that helped in the modernization of the Indian industrial sector.

Financial sector: Prior to globalisation and privatisation, India's financial sector had been mismanaged by a combination of corrupt and inept government officials. The privatisation of the financial space created a much more dynamic financial services sector.

Agricultural sector: India still has a largely agrarian society, with a significant majority of the country's population depending on this sector either directly or indirectly for their livelihood. The new technological capabilities of farmers have increased helping drive global exports of Indian products such as tea, coffee, and sugar.

The betterment of these sectors has brought about an increase in national income, employment, exports, and GDP growth.

Advantages of globalisation for India

- The increasing globalisation of India has given access to markets of the country to foreign companies seeking to invest and operate within the massive Indian market.
- Increase in employment opportunities.
- Initially, globalisation gave foreigners access to an inexpensive, robust labour force. But as the country has progressed, the labour force has grown more skilled and educated over time. Now India has the largest diaspora living abroad.
- For foreign investors considering the economy as a whole, India offers a well-diversified export basket. This has been highlighted in the Economic Survey of India as well.

The cultural impact of globalisation on Indian society

The process of globalisation increased access to television and other entertainment sources over the years. Even in the rural areas satellite television has an established market. In the cities, Internet facility is everywhere and it is being extended to rural areas also through schemes like Smart Cities Mission.

There is an increase in the global food chain and restaurants in the urban areas of India. Multiple movie halls, big shopping malls, and high-rise residential buildings are seen in every city.

The entertainment sector in India has now obtained a global market. After economic liberalisation, Bollywood expanded its area and showed a major presence on the global scale. Bollywood movies are quite famous in the Middle Eastern and many African countries as well.

Western styles began to be incorporated into Bollywood films to expand the outreach.

As these new cultural ideologies began to permeate the Indian population, the Indian urban population was pushed to re-evaluate their traditional Indian cultural ideology.

Bollywood movies are also distributed and accepted at the international level. Big international companies like Walt Disney, 20th Century Fox, and Columbia Pictures are investing in this sector.

Similarly, famous International brands such as Armani, Gucci, Nike, and Omega are also making investments in the Indian market with the changing of fashion statement of Indians.

Women are getting the equal opportunities they very well deserve now in more numbers due to the globalisation of the market. Their empowerment has given considerable opportunities and possibilities for improving employment conditions through global solidarity and coordination. It is found that the growth of computers and other technologies enabled women with better wages, flexible timings, and capacity to negotiate their role and status in-home and at the corporate level.

Effects of Globalization on Indian Education:

- There is a profound effect observed in the educational sector due to globalisation such as the literacy rate becoming high.
- Foreign Universities are collaborating with different Indian Universities now, expanding the reach for Indian students.
- The Indian educational system embraced globalisation through Information technology and it offers opportunities to evolve new paradigms shifts in developmental education.
- The shift from largely uneducated to an industrial society to an information society has gradually taken shape.
- Globalisation promotes new tools and techniques such as E-learning, Flexible learning, Distance Education Programs, and Overseas training.

- Many government schemes like the 'New Education Policy' are pushing for a more global education system to make Indian students from every walk of life at par with the global community.

Challenges of globalisation in Indian society

- ➔ Economically, for a large market like India it is harder to maintain a free, convertible, and open access enabled transnational market.
- ➔ Globalization also means growing interdependence in other nations- this can cause issues like maldistribution of resources. The parity between underdeveloped, developing, and developed remains status quo in many cases.
- ➔ The universalization of information technology has boons but also banes, in terms of cybercrimes and other darknet activities. The increase in the number of cyberattacks in India is proof of this.
- ➔ Globalisation does have a great effect on the ecologies and environments of nations that need safeguards that lessen the negative effects rather than exploiting them without regard to such concerns.
- ➔ The negative effects of globalisation on the Indian Industry are that with the coming of technology the number of labour required is decreased and this resulted in increasing unemployment, especially in the arena of the pharmaceutical, chemical, manufacturing, and cement industries.
- ➔ There are a few challenges for companies due to globalisation such as Migration, relocation, labour shortages, competition, and changes in skills and technology.

- The effects of globalisation on Indian society are manifold and have been discussed in detail. The process of globalisation has changed the industrial pattern and social life of people. This has had an immense impact on Indian trade, finance, and cultural system.
- The globalisation of the economic, social, and cultural structures happened simultaneously. Previously, the pace of the process was slow but now the change is happening in every arena at lightning-fast speed with the use of information technology.
- Globalisation has resulted in an increase in the production of a range of goods and services. MNCs have established manufacturing plants all over the world. It has positive effects on India and the administration is trying its best to overcome many obstacles and adopt global policies to expand business on an international scale.
- India is surely gaining international recognition which leads to the strengthening of economic and political areas.
- Truly, globalisation has made the world a small place, a whole lot of different people interconnected in diverse ways.

Impact of Technology on development

Technology is defined as the body of knowledge that deals with the innovation, invention, and application of technical means, as well as their interrelationship with life, society, and the environment. Or in other words, technology means the use of scientific knowledge to achieve some specific goal or create applications that are used in industry or in everyday life. So, if we are using some scientific knowledge to achieve some goal, it means we are using technology.

Impact of Technology on Society

We utilise and rely on technology in our daily lives, and our technical requirements and demands continue to grow. Technology is used by humans to explore, connect, study, and do work. The manner in which we use technology decides whether its effects are beneficial or detrimental for society.

1. Positive Impacts of technology on society:

- Technology has a more positive impact on humans or society as compared to negative. It makes our life easier and rewards us by providing resources or tools that make our life much easier. Following are some positive changes that technology brings to our life:

- **Improved Communication:** Communication is the most important part of society, we build or transfer our thoughts with each other with the help of communication. Earlier people used pigeons or birds to transfer their messages to their loved ones. After that technology slowly grows and the medium of transferring information is changed to mobile phones, email, etc. Nowadays, we send messages to loved ones or known people via email, social media platforms, etc. It is the fastest, efficient, and effective medium. People can talk or share information with their loved ones easily even if they are very far away from them.
- **Improved Education and learning process:** Technology enhances the education and learning process. Nowadays, people can easily enhance their knowledge using the internet. Most of the data that is present on the internet is free of cost, and you can access this data anytime and anywhere.

- **Mechanised Agriculture:** Technology changes the working mechanism of farmers. Lots of machines and technical instruments were introduced in the agricultural area which makes farming very easy, effective, automated, etc.
- **Easy to access information**: We can easily access information via the internet anytime and anywhere. Most of the information that is present on the internet is free of cost, so you can use it to enhance your knowledge, skills, etc.

- **2. Negative Impacts of technology on society:**

- As we know that everything present on this planet has both advantages and disadvantages. The same goes for technology it also has negative impacts on society and some other negative impacts are:
- **Increase in unemployment:** Nowadays, large and small businesses use machinery and technical equipment because of their low costing and high efficiency due to which the rate of unemployment is increasing continuously.
- **Increase in pollution:** Not only humans but technology is also affecting our environment. Due to vehicles and machinery, the rate of pollution is increasing continuously which causes global warming, etc.

- **Increase in health and mental concerns**: Nowadays, technology affects the physical as well as mental health of human beings. It makes people lazy, emotionally weak, sleeping problems, reduces physical activity, and also people are spending less time with their family and friends.
- **Increase in cybercrimes:** Due to the excessive use of the internet, the rate of cybercrimes are also increased. Some people (attackers) harm innocent people (victims) or children for money or fun.
- Technology induced societal issues and cultural changes
- **Social Issues:**

Following are some social issues that we face while using the **INTERNET**

- **Identity Theft:** To use the identity of some other person by getting his financial/ personal information in a fraud manner in order to commit a crime.
- **Gaming Addiction:** An individual's capacity to perform in multiple life domains is severely affected as a result of the excessive use of internet games over a long period of time.
- **Health and Fitness:** Using a lot of the internet lays an impact on health and fitness, it may impact your eyesight, backbone, etc.
- **Cyberbullying:** The use of technology to bully, abuse, criticise, or target another person is known as cyberbullying.

- **Terrorism and Crime**: Theft of our cyber-infrastructure, as well as digital information such as software, hardware, data, or information, is considered cyberterrorism.
- **Communication Breakdown:** A communication breakdown occurs when information is not exchanged, resulting in a loss of interaction.
- **Defamation of Character:** The act of transmitting a piece of false information in order to do serious harm to another person's goodwill is known as defamation of character.

Cultural changes:

- Our culture has been radically transformed by technology. From our ideals to our modes of communication, we've come a long way. Many people now find it difficult to conduct a face-to-face chat. People use their phones, tablets, or computers to spend time with their buddies.
- Also, individuals now evaluate others based on how technologically, whether or not they own the latest mobile phones or cars. Nowadays, listening to music on headphones is preferred over listening to another person.

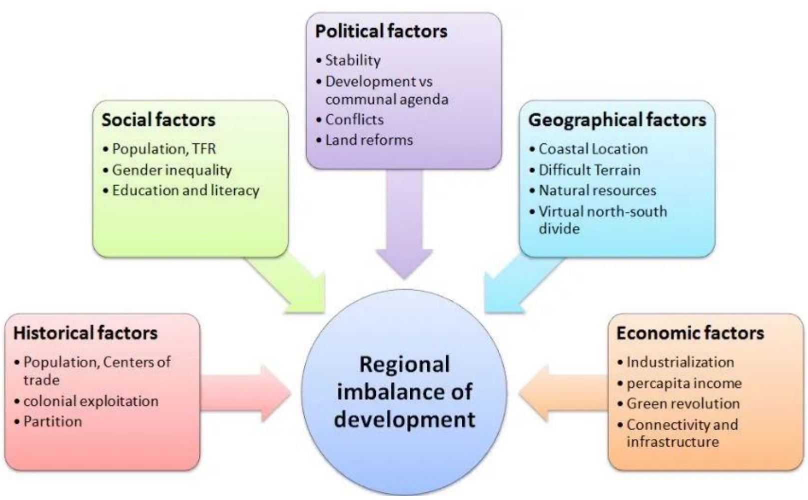
❖ Most individuals nowadays prefer the internet because that is all they have ever known. Cell phones with touch screens are all the rage these days. Technology just serves to separate people from actuality.

❖ People nowadays lack the ability to interact in real-life situations such as individual connections, problem-solving, and showing adult actions. All this is influencing our culture.

❖ Technology influences culture every time we may get anything from an internet seller rather than going to a local business. Every moment someone always sits down to watch our night on-demand enjoyment, we are shaping culture through technology.

Disparities in development

Regional Development Disparity



It refers to differences in economic development and uneven economic achievement in different geographical regions.

It is reflected by the indicators like per capita income, the proportion of population living below the poverty line, the percentage of urban population, percentage of population engaged in agriculture vis-à-vis engaged in industries, infrastructural development of different states.

Need for Balanced Regional Development

Within democratic polity, growth and prosperity must exhibit regional balance. Thus a democratic government striving to achieve such balance is axiomatic.

India is subdivided into 29 states differing in terms of their productive potential and the type of industry they can support. The realisation of their potential holds the key to increasing the competitiveness of the nation as a whole.

Regional disparity in development causes challenges like violent conflicts, unplanned and haphazard migration e.g. Insurgency in North-east and Left wing extremism in large parts of central and eastern states of India.

The sustainability of the growth rate and the goal of the country to achieve its development target will be difficult to meet unless India develops as an integrated whole of regional competency.

Causes of Regional Disparity

Historical Factor

The British government and industrialists developed only those regions of the country which possessed rich potential for prosperous manufacturing and trading activities. Thus port cities like Bombay, and strategically important areas like Calcutta and Madras received initial development.

In the absence of proper land reform measures and proper industrial policy, the country could not attain economic growth to a satisfactory level.

Geographical Factors

The difficult terrain surrounded by flood prone areas, hilly terrain, rivers and dense forests leads to increase in the cost of administration, cost of developmental projects, besides making mobilisation of resources particularly difficult.

Himalayan states like Himachal Pradesh, Northern Kashmir, Uttarakhand, North-Eastern states remained mostly backward due to its inaccessibility and other inherent difficulties.

Location Specific Advantages

Due to some locational advantages like availability of irrigation, raw materials, market, port facilities etc. Some regions are getting special favour in respect of site selections of various developmental projects e.g. oil refineries are mostly located close to sea.

Early Mover Advantage

New investment in the private sector has a general tendency to concentrate much on those regions having basic infrastructural facilities.

Term-lending institutions and commercial banks tend to concentrate investments in the relatively more developed States.

Failure of Planning Mechanism

Local needs; one size fits all approach, lack of adequate resources, poor implementation of plans, lack of planning capacity at state level reduced capacity of Planning Commission to ensure balanced development.

Restricted Success of Green Revolution

Green revolution improved the agricultural sector to a considerable extent through the adoption of new agricultural strategy of high yielding variety seeds, assured irrigation, provision of technical knowhow etc

However, the benefits of green revolution were restricted to Punjab, Haryana and western Uttar Pradesh as this belt had advantage of irrigation facilities, were traditionally wheat growing states, with adequate policy support from State Governments which other areas lacked and couldn't reap benefits of Green Revolution.

Extremist violence, law and order problems etc. have been obstructing the flow of investments into backward regions besides making flight of capital from backward states.

Intra Regional Disparity

An important aspect of regional disparities in India is the significant level of disparities, which exist within different States. For example, Vidarbha in Maharashtra, Saurashtra in Gujarat.

Demand for and creation of some of the States in the past in the wake of popular agitation was based on perceived neglect of certain backward regions in some of the bigger states such as creation of Andhra Pradesh and Gujarat in the fifties and creation of Punjab, Haryana and Himachal Pradesh in the sixties.

In each State specific reasons exist for backwardness of regions within states e.g. the major cause of backwardness of Vidarbha and Marathwada in Maharashtra and Northern Karnataka is the scarcity of water.

Backwardness of certain regions in Gujarat, Madhya Pradesh, Bihar and Orissa can be associated with the distinct style of living of the inhabitants who are mostly tribals and the neglect of such regions by the ruling elite.

Government Interventions to Reduce Regional Disparities

Higher resource transfers from the Centre to the Backward States via;

Understanding Caste

Marginalisation, exclusion and exploitation based on class, gender, race and ethnicity have been part of every society including the Indian society. But what is typical of India is the caste based exclusion and exploitation. Caste has been one of the most dominant and determining factors not only in social but also in economic and political spheres. It governs the mind set not only of the Hindus who constitute over 84 percent of Indian population but also of most of the Christians, Muslims, Sikhs and Buddhists as the majority of the people in these religions are basically Hindu converts. Caste is based on graded inequality. The caste system ascribes positions within the social hierarchy based on birth (ascription), thereby perpetuating intergenerationally upper, lower and out caste Positions.

The unequal and discriminatory social arrangements deny people of lower castes access to opportunities of educational and economic advancement, and with its strict adherence to endogamy and the notion of purity and pollution, it violates the rights of Dalits and their full enjoyment of Constitutional guarantees. The institution of caste perpetuates inequality, dominance and exploitation, and continues to deny opportunities development to the lower castes (the Shudras and Ati-Shudras) who constitute the major proportion of Hindu population.

The content for these outlines has been drawn from the Foundation Course outlines of the TISS The concept of caste is understood from diverse vantage points, and accordingly its origin and meaning, and its interpretations and justifications differ among scholars and social reformers. While some scholars justify its relevance as a divine, functional and cohesive institution, others, based on the field reality, consider it as the most harmful, coercive and divisive institution and argue for its annihilation.

The Concept of Class and Related Processes

Studies on '**social stratification'** occupy a prominent place in sociology. Distribution of power, wealth and prestige in various societies has been the main concern not only of sociologists but of a variety of thinkers from other disciplines. Economic relations and 'power' have been central to the stratification but the relationships between the two may lead to conflicting social groups. Their understanding has resulted in a range of studies divided widely across ideological and philosophical grounds.

The early phase of writings on 'social class' can broadly be divided into two polarised streams: the conservative approach (in Weberian tradition) where the concept of 'social class' is treated like other major concepts: occupation, income, life styles, ownership of property, positions of influence, etc. In contrast, the radicals (in Marxian tradition) have been impressed by the conflict between the classes of owners and workers.

In the post-Industrial Western society, a few important changes are visible in their social stratification, decentralising of their relationships, especially property and production based relationships; expanding middle class with fairly uniform life styles; declining role of militant unionism; class consciousness losing its collective identity and conflict; a shift in group formation; changes in socio-political cleavages; and new forms of civil action
(feminist movements, human (and civil) rights movements etc.) have lead to an increasingly problematic nature of social inequalities and conflicts.

Understanding Gender

The concepts of 'sex' (which is understood as a biological category) and 'gender' (which is a social construction) help us analyze the way societies and their structures are gendered. Several social institutions like the family, education system, media, religion, legal system and so on contribute to the construction of gender and reinforce patriarchal
values. Gender gets manifested through different kinds of controls on women – on their production, reproduction, sexuality and mobility.

Gender is embedded within other social stratifiers that mediate different outcomes for
men and women. Women's position in the labour market, their health, educational opportunities and restrictions, social lives, entertainment and leisure all are implicated in the social construction of masculine and feminine sexuality. Gender inequality in sexual relations between men and women reflect and serve to maintain subordination. Sexual

orientation and preference affect people economically and socially for sexuality and sexual choice become the basis for exclusion, marginalization, and violence. Women's movements question the paradigms of development; broaden conceptualizations of family, markets, public/private, politics, and violence and question the narrowness of social movements and broaden the contours of knowledge building and dissemination.

Disparity of Tribes

The Global Wealth Databook reveals some startling facts .

The richest 1 percent of Indians today own nearly half (49 per cent) of India's personal wealth. The rest of us 99 percent are left to share the remainder among ourselves. And that too is very unequally shared. The top 10 per cent Indians own nearly three-quarters (74 per cent) of the country's personal wealth. The remaining 90 per cent share a meagre quarter. At the other end of the spectrum, of the world's poorest 20 percent people, nearly one in four are Indians. Just to show by contrast, China's share is a mere 3 per cent.

A widening gap Now, there is no doubt that poverty has declined significantly in recent times in India. But can we say the same about inequality? The Credit Suisse report gives an unequivocal answer: No. Even nearly three decades after economic reforms and high growth, inequality continues to rise and wealth has become even more concentrated at the top.

The share of India's richest 10 percent families has grown from 66 per cent in the year 2000 to 74 per cent today. India's super-rich (top 1 per cent) who owned 37 per cent of India's personal wealth in 2000, have even more rapidly increased their share to 49 per cent. This kind of regressive change surely has a link with the crony capitalism of the last three decades. Hopefully the Indian electorate, very exercised over corruption, will place sufficient pressure on the ruling classes for this to change sooner rather than later. Meanwhile, millions of Indians do not find themselves a part of the growth story. And there is growing resentment over this gaping inequality. With greater access to the electronic media across the country, the differences are glaringly visible for those at the base of the development pyramid. Inequality in India operates on multiple axes — of gender, class, caste, region, religion and ethnicity. But perhaps the worst suffering is of India's tribal people, who suffer a double whammy of both disadvantaged region and ethnicity.

A paper in the Economic and Political Weekly , (Sanchita Bakshi et al : **"Regional Disparities in India: A Moving Frontier",** January 3, 2015) reveals that if we want to get an accurate picture of regional inequalities, a well-recognised element of India's growth experience, we have to look much deeper than just States or even districts. We need to go to the sub district or block level. And there we find that an overwhelming share of the most backward subdistricts has a high concentration of tribal population.

India's forgotten people Official data on all indicators of development reveal that >India's tribal people are the worst off in terms of income, health, education, nutrition, infrastructure and governance. They have also been unfortunately at the receiving end of the injustices of the development process itself.

Around 40 per cent of the 60 million people >displaced following development projects in India are tribals, which is not a surprise given that 90 percent of our coal and more than 50 per cent of most minerals and dam sites are mainly in tribal regions.

Inclusive growth What then are the elements of a vision of development much more inclusive and empowering of those left out? First, the overall direction of growth needs to change. We cannot continue with a pattern of jobless growth. It is clear that some models of growth are inherently more inclusive than others, which is why our focus should be not just on GDP growth itself, but on achieving a growth process that is as inclusive as possible.

For example, faster growth for the >Micro, Small and Medium Enterprises segment will generate a much broader spread of employment and income earning opportunities and is, therefore, more inclusive than growth largely driven by extractive industries or the service sector. It is also clear that sustainability has to be at the core of our development strategy. This is because the poorest regions of India are also the most eco-fragile. If we truly want to build tribal incomes, we need to offer them a range of sustainable livelihoods, including non-pesticide managed agriculture, an imperative also for the health of Indian consumers, as well as for reducing the escalating financial and ecological costs of farming.

Huge income-generation and biodiversity conservation possibilities also exist if we can imaginatively utilise the vast unutilised potential of the Non-Timber Forest Products market, which is estimated to run into several thousands of crores, of which only a minuscule fraction accrues to the tribal communities. Of course, this requires careful attention being paid to the rights of the tribal people, as enshrined in the Forest Rights Act and a complete restructuring of their relationship with the Forest Department, historically seen by the tribal communities as standing in an adversarial relationship with them.

Participatory governance Much better state capacities in regions of high poverty are also an urgent requirement. For these regions suffer not just from rampant market failure but also widespread government failure. A crucial reason why the poor are unable to take advantage of the possibilities opened up by growth even within their districts is the absence of requisite health and education facilities. Globally, India spends among the lowest share of its national income on public provision of >health and education .

These are the sectors in most urgent need of government reform. We need to equip our most disadvantaged people with the skills demanded by a rapidly changing economy. Programmes meant for poverty elimination such as the Mahatma Gandhi National Rural Employment Guarantee Act do not work as they are meant to because the requisite human resources do not exist precisely where these programmes are most desperately required.

A key feature of the changing economy is growing market penetration. More than 80 per cent of India's cultivators are small and marginal farmers and they are invariably hapless victims of participation in the market economy. But this need not necessarily be so. Wherever farmers have come together to form powerful institutions to buy and sell, they have been able to compete on much fairer terms in the market.

Most of all, the excluded regions and people need better governance, which is much more participatory in nature, for only then will the slogan of cooperative federalism really acquire concrete substance. Panchayati raj institutions, including the gram sabha, need to be empowered and activated for this purpose. We need to learn to involve the "**last citizens" i**n decisions that affect their lives, such as taking their consent while acquiring land for an avowed public purpose.

There is nothing automatic about a decline in inequality under capitalism. The Kuznets Curve remains a mere fantasy if the right programmes and policies are not in place. Inequality did decline when the appropriate policy framework was adopted in Europe and America during the so-called golden age of capitalism in the mid-20th century. These were the decades that saw the emergence of what economist, public official and diplomat John Kenneth Galbraith termed **"countervailing power"**. And it is the unravelling of this balancing power and a shift towards free-market fundamentalism that led to the rise in inequality after 1980.

Urban Planning and development

Urbanisation in India

Most Urbanized States:

Tamil Nadu 43.9%; Maharashtra 42.4%; Gujarat 37.4%

3 out of world's 21 mega cities: Mumbai (19 mill); Delhi (15 mill); Kolkata (14)

Large Cities: 23 in 1991; 40 in 2001

Urban Pop.: 25% of 850 mill in 1992; 28% of 1,030 mill in 2002.

Estimated Urban Pop. by 2017: 500 mill

% of Urban Residents who are Poor: About 25%

Slum Population: About 41 million in 2001

Estimated Slum Pop. by 2017: 69 mill

What Is a Planned Urban Development (PUD)?

A planned urban development refers to a real estate development that integrates residential and commercial buildings with open spaces in a single project. It can be loosely considered as a planned unit development (PUD), which uses the same acronym and for all intents and purposes is interchangeable. This is an urban version of a planned development, but there are some particular differences that make it categorically different.

- A planned urban development, or PUD, is an agreement to develop an area of land, usually large, to include a diversified group of residential, commercial, industrial, and natural structures.
- Some benefits of large-scale urban projects are an increase in surrounding property values, an influx of new capital and residents, and a burgeoning community.
- Some disadvantages are a feeling of isolation, homogeneity, and the necessity for a car.

Understanding Planned Urban Development

A planned urban development typically originates as a partnership between a local or municipal government and developers. In recent years, urban planners have increasingly sought to recreate the mixed-use orientation of pre-modern human communities. These traditional settlements included housing, commerce, and localised industry in a single area.

A valuable natural resource such as a water source or defensible high ground often provided a nexus for the community. Industrialization and modernization, particularly in the second half of the 20th century, included a shift toward single-purpose zoning in urban areas. Planned urban development emerged as a response to this trend, orienting urban communities around the principles of convenience and efficiency rather than a natural resource or feature.

A planned urban development allows developers to avoid some of the market risk of a single-use project through diversification. If the local residential or office market collapses, other components of a planned development can protect the developer's investment.

High-end retail and event programming can attract home buyers and renters willing to pay a premium.

Theatres and other nightlife can have a similar effect. Ultimately, planned development offers developers the opportunity to provide urban planners and end-users of the commercial and residential space with what they want: efficient and varied use of scarce urban space.

Disadvantages of Planned Urban Development

As mixed projects have become more common in the 21st century, recurring problems have emerged. Developers and planners have resolved some while others persist. First, these projects tend to involve longer planning and permitting periods than single-use development.

Design, implementation, and the marketing of a wide spectrum of space often require the involvement of specialist firms whose expertise comes at a significant cost. While this planning is taking place, the developer is likely on the hook for paying for the land that has yet to be put to use. Developers have streamlined these processes as they have accumulated expertise from past projects.

The second set of problems takes place on a higher level and has proven more difficult to resolve. Planners often undertake these projects to recover urban areas that they consider blighted or beyond repair. Planned developments address this problem with projects that offer little to the previous residents and likely do not tackle the conditions that lead to urban decay.

In many cases, these projects can feel walled-off from the surrounding area. Finally, these developments do not fully resolve our dependence on automobiles. Edge cities, for instance, still often require that tenants come and go by car. These are planned developments built in suburban areas in an attempt to offer residents and employees a central hub with a wide range of amenities.

Urbanisation is an integral part of the process of economic growth. As in most countries, India's towns and cities make a major contribution to the country's economy. With less than 1/3 of India's people, its urban areas generate over 2/3 of the country's GDP and account for 90% of government revenues.

Urbanisation in India has expanded rapidly as increasing numbers of people migrate to towns and cities in search of economic opportunity. Slums now account for 1/4 of all urban housing. In Mumbai, for instance, more than half the population lives in slums, many of which are situated near employment centres in the heart of town, unlike in most other developing countries.

Meeting the needs of India's soaring urban populations is and will therefore continue to be a strategic policy matter. Critical issues that need to be addressed are:

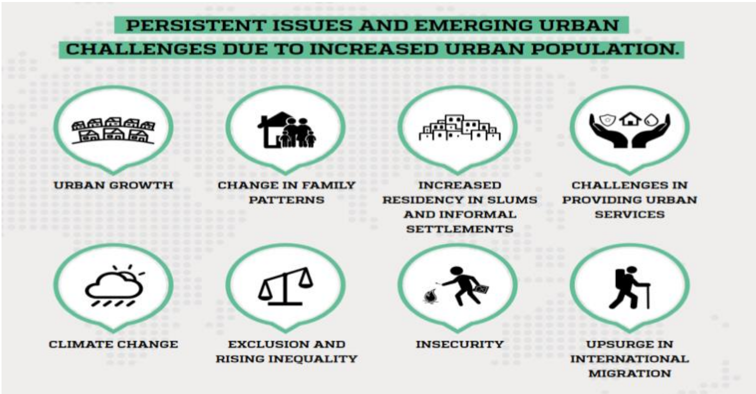
Poor local governance

Weak finances

Inappropriate planning that leads to high costs of housing and office space; in some Indian cities these costs are among the highest in the world

Critical infrastructure shortages and major service deficiencies that include erratic water and power supply, and woefully inadequate transportation systems

CHALLENGES



Planning:

Many urban governments lack a modern planning framework

The multiplicity of local bodies obstructs efficient planning and land use

Rigid master plans and restrictive zoning regulations limit the land available for building, constricting cities' abilities to grow in accordance with changing needs.

Housing:

Building regulations that limit urban density - such as floor space indexes – reduce the number of houses available, thereby pushing up property prices

Outdated rent control regulations reduce the number of houses available on rent – a critical option for the poor

Poor access to micro finance and mortgage finance limit the ability of low income groups to buy or improve their homes

Policy, planning, and regulation deficiencies lead to a proliferation of slums

Weak finances of urban local bodies and service providers leave them unable to expand the trunk infrastructure that housing developers need to develop new sites.

Service delivery:

Most services are delivered by city governments with unclear lines of accountability

There is a strong bias towards adding physical infrastructure rather than providing financially and environmentally sustainable services

Service providers are unable to recover operations and maintenance costs and depend on the government for finance

Independent regulatory authorities that set tariffs, decide on subsidies, and enforce service quality are generally absent.

Infrastructure:

Most urban bodies do not generate the revenues needed to renew infrastructure, nor do they have the creditworthiness to access capital markets for funds

Urban transport planning needs to be more holistic – there is a focus on moving vehicles rather than meeting the needs of the large numbers of people who walk or ride bicycles in India's towns and cities.

Environment:

The deteriorating urban environment is taking a toll on people's health and productivity and diminishing their quality of life. This is one of the most common effects of urbanisation. The congestion of people in limited spaces and areas reduces the quality of air, contaminates water, and pollutes the noise and land.

This leads to very poor environmental conditions for people to live and is often detrimental to the health of these people. There is also the need to improve the infrastructure so as to accommodate the rise in population by erecting new buildings and amenities.

This leads to the destruction of forest and natural habitats in order to acquire the materials required. Industrial waste poured to the river and lakes contaminates the water, and the noise brought about by the numerous human activities carried out sums up the many effects urbanizations bring in slum areas.

The more the urban population, the more pollution is caused by automobiles. Although carpooling is a relatively better practice, not everyone has come to terms with it. Most people prefer using their personal vehicles. Even if people opt for carpooling or public transport, it does not really help much.

Every day, millions of people avail of the commutes, which means, tens and thousands of vehicles run on the streets every single day. Most of these vehicles run on fossil fuels and, as a result, cause an immense amount of air pollution and degrade the quality of the air considerably.

Development of slums

Urbanisation and industrialization make a lot of people move to the urban areas, but they do not prepare them for the conditions they are likely to face when they arrive there. Urban areas tend to have a high cost of living. The housing problems fuel this even more as all the people who move to urban areas cannot be adequately accommodated.

This leads to the advent and growth of slums as safe havens for those who cannot afford the high costs of rent or lack substantial money to purchase apartments or build homes in urban areas. The slums arise from the construction of houses on under-developed or undervalued land due to how scarce and expensive apartments or land is in urban areas.

The houses in slums are often poorly constructed and most of the time lack basic amenities like clean water and proper sanitation. They are built to cater to low-income urban earners. Some of these settlements are even illegal and may be set up next to dumpsites, heavily polluted areas, or natural disaster risk areas such as swampy and mudflow areas.

Transportation problems

A lot of people are often moving between their workplaces and their homes; this more often leads to traffic jams and congestion. The number of people who own cars is growing every year, especially in urban areas and the public transport system is very unreliable.

The number of cars increases, and as a result of this, the traffic problems continue to worsen. This does not only lead to blockages in traffic but increases the chances of people getting involved in traffic accidents and urban air pollution.

Urban crime

The more people are congested in urban areas, the higher the rate of unemployment as the available jobs are not enough to accommodate all. Resources have also become scarce, and not everyone has access to essential social services, which lead the disadvantaged to get into substance abuse, violence, burglary, and organised crime.

Lack of employment also increases poverty, which, as a result, makes it even harder for people to get the essential things they need to survive. People then turn to poverty-related crimes such as theft, conning, and organised crime as a way of earning a living.

Such criminal activities, mainly those rampant in urban areas due to poverty and lack of job opportunities, include kidnapping, robbery, carjacking, rape, and even murder. These acts make cities very hard for people to live in as they are not guaranteed their safety, especially for victims who cannot defend themselves in such situations.

Juvenile Delinquency

There are several factors in an individual that may lead to his delinquent behaviour. A minor who has lower intelligence and has not received proper education is more likely to be involved in delinquent behaviour. Other factors may include impulsive behaviour, uncontrolled aggression, inability to delay gratification. Mental Health factors are also a part of individual factors. The mental state of an individual is extremely important for his behaviour in society. Thus, these factors can contribute to the involvement of a juvenile in harmful, destructive and illegal activities. Urbanisation causes a major hub for juvenile delinquency

Increased rates of poverty

Global urbanisation ultimately leads to poverty. As the rate of unemployment increases, more and more people continue to sink beneath the poverty line. Also, as the population increases and the urban areas become more and more congested, the state government starts losing track of the population.

As it does so, in some cases, it also fails to provide for all the people adequately. It ultimately leads to extreme forms of poverty where people have to live on the streets with only a little or nothing to eat or to drink.

As a result of poverty, the standard of living of people also decreases to a point where it can also sometimes be rendered as inhuman. In a world where the rich are constantly becoming richer, and the poor are constantly becoming poorer, poverty is by far one of the largest threats to human existence.

The World Bank will look to support policy reform in critical areas such as land use planning and municipal finance, as well as institutional reform. It will work with all three tiers of government in designing programs to address slums, housing and urban infrastructure requirements.