

Changing Paradigms of Development: Perspective and Changes in India

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ABSTRACT

The concept of development is not very old. As stated at the outset, it came in currency only by the second half of the preceding century perhaps only when most of the present-day less developed countries emerged as independent nations after their long subjugation to the colonial rule and set out on the path of their own planned economic progress. Development, like modernization, is a concept, which was used to analyze the level of social, economic and political progress in colonial countries on the lines of progress attained by the West after the Renaissance and the Industrial Revolution. The primary objective of this study is to Changing Paradigms of Development in India. Development, therefore, emerged as a relative concept which presupposed a comparison of the less developed countries of Asia, Africa and Latin America with the developed countries of the West. There has been periodic paradigm shift in the concept of development ever since its inception in academic writings.

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1. Introduction:

The concept of development is not very old. As stated at the outset, it came in currency only by the second half of the preceding century perhaps only when most of the present-day less developed countries emerged as independent nations after their long subjugation to the colonial rule and set out on the path of their own planned economic progress.

Development, like modernization, is a concept, which was used to analyse the level of social, economic and political progress in colonial countries on the lines of progress attained by the West after the Renaissance and the Industrial Revolution. Social, political and economic changes that took place in Western Europe became the parameters of development and modernization to assess the level of progress made by the developing countries on this path. That is why, though Adam Smith's *Wealth of Nations* is treated as the first treatise on development economics, a systematic study of development began only in the middle of the 20th century when problems of developing countries attracted attention of economists and other social scientists. Development, therefore, emerged as a relative concept which

presupposed a comparison of the less developed countries of Asia, Africa and Latin America with the developed countries of the West. There has been periodic paradigm shift in the concept of development ever since its inception in academic writings.

This shift has been in correspondence with the changing experiences of development in the less developed countries and the ideological approach of looking at development and progress in society. Below we discuss various perspectives on development and the changes made over time.

2. Objective of Study:

The primary objective of this study is to Changing Paradigms of Development in India.

3. Data and Methodology:

The present study is based on secondary data collected from different journal, magazine and websites and different government report and economic survey.

4. Results and Discussion:

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 specialized activities,
4. Entrepreneurship.

Adam Smith, writing in the beginning of 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 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 polarization of classes and intense class struggle leading to the unity of workers against capitalists and seizing power from them. Adam Smith and David Ricardo were of the view that an increase in population growth would reduce the rate of economic growth. But, later on, English economist John Maynard Keynes' theory rejected the thesis of Smith and Ricardo and stressed that an increase in population increases demand for goods, which stimulates investment and ultimately economic growth. The last two decades of economic achievements of China and India – the two most populous countries of the world – have also proved that population explosion is perhaps not necessarily a detrimental force in economic development.

Accumulation of capital and economic growth lead to division of labour and vice versa. Division of labour refers to specialization of production functions

which increases skills among workers and skilled and specialized work leads to increase in productivity. Smith emphasizes the role of division of labour in the increase in production.

Entrepreneurship – a key factor in economic growth – was in fact not recognized in the early economics. However, Ricardo did regard the role of capitalist as visionary investor and organizer of rent of land, wages and production, which is paramount in economic growth. But, the capitalist is not necessarily an entrepreneur. Joseph Schumpeter, much later, gave a systematic definition of an entrepreneur and emphasized her/his role of an innovator as a key factor in economic development.

Human Development Perspective:

The concept of human development has its origin in the writings of early economists like Adam Smith, David Ricardo, 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 realizing 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.

This focuses on the human face of development and this perspective could emerge on realizing that there is no automatic relationship between the growth of GNP and improvement in the quality of life. Sri Lanka, Chile, Jamaica, Thailand and Tanzania, for example, have done far better on their human development ranking than on their income ranking, whereas Oman, Saudi Arabia, Algeria and Senegal have a much higher income ranking than their human development ranking (UNDP, 1990: 14-16). China, India and Pakistan have almost similar per capita GNP level but human development performance of China is much better than the other two countries. 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) Birth rate
- (d) Death rate
- (e) Infant mortality rate.

India's position is very sad as it ranks 126th out of 177 countries of the world.

In India, the death rate declined from 14.9 in 1971 to 8.9 in 1997, the infant mortality rate from 129 in 1971 to 80 in 1991 and further to 71 in 1997. The birth rate also declined from 36.9 in 1971 per thousand to 29.5 in 1991 and further to 27.2 in 1997. However, if we look at the inter-state variations, we find that there are wide variations.

The reduction in death rate, birth rate and infant mortality rate in India is visibly significant though not so encouraging if compared with that of developed countries and some of the developing countries. The increase in health care and family welfare services in India has contributed significantly to the performance it has made in the human development sector. However, there are wide inter-state variations in human development performance levels. For example, Kerala with life expectancy at 72 and literacy at 90 is far ahead of the states like Bihar, Madhya Pradesh, Orissa, Rajasthan and Uttar Pradesh, where the quality of life of people is terribly poor.

The economists concentrating on the problems of Asian, African and Latin American countries realized that the existing social, cultural and economic conditions of these countries required radical transformation in order to move on the road of development. Culture and economy in these countries had been primarily agrarian and poverty, illiteracy and traditional outlook were dominant features.

The economists needed an apparatus to understand the problems and the levels of development in these countries. They tried to undertake this keeping in mind the history and culture of the then developed countries. Hence, a comparative approach. However, the multidimensional process of development involves reorganization and reorientation of the entire system – economic, social and cultural. Michael P. Todaro wrote that development, along with economic development, involves radical changes in institutional, social and

administrative structures as well as people's attitudes, customs and beliefs. Thus, development is not merely an improvement in material conditions and the standard of living of people of a society; it also includes and perhaps precludes improvement in human index in terms of life expectancy, infant mortality, adult literacy and social conditions of people.

The decades of 60s and 70s of the 20th centuries were treated as the "development decades" by the United Nations which also resolved that if a country achieves the target of 6 per cent or more annual growth rate of GNP it should be designated as a developing economy. Thus, the UN defined development in terms of 6 per cent of GNP growth. 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.

Economic development during 70s was then redefined in terms of reduction or elimination of poverty, inequality and unemployment within the context of growing economy. This redefinition of development was made at the instance of Dudley Seers, who questioned the claim of development if poverty has not been arrested and if unemployment and inequality have increased.

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, realized 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. This state of affairs subjected these countries to many constraints on the path to economic development. Therefore, what was required of these countries was to adopt policies and planning for the social development of their societies on priority basis. 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 emphasizes 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 urbanization, 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. Social development is a broad concept which refers to the development of society a whole. The processes of social development are both means and ends in themselves. A society gradually evolves into a modern society with a rational outlook and scientific temper. People are not sentimentally attached to traditional forms of social structure and values and are easily adaptive to change, oriented to welcome innovations and ready to move on a new path.

They are not dogmatic, gullible and superstitious. Social structure is democratic and not authoritarian as the traditional societies used to be. The political system is secular and democratic. Citizens enjoy autonomy and freedom to choose a path for themselves within the constitutional confines. Social development and economic development are mutually complementary processes. The progress in one necessarily conditions progress in the other. The term 'social' is not precise enough to be understood easily.

There is distinction between social and psychological terms like attitudes, motivations, ideas and values but treating the term 'social' in opposition to the term 'economic' would include these psychological terms within the sphere of social.

The concept 'social' consists of all non-economic factors. Social development is a precondition for economic development. According to J.A. Ponsoien, 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.

The spheres, which are indicative of the social realms, according to J.A. Ponsoien, are as follows:

1. The cultural and mental background from which individuals operate and which causes their willingness or unwillingness, their fitness or unfitness to take up various tasks in the economic development.
2. The institutions and social structures, types of groups and social organizations, through which the people are able to cope with these tasks for collective as well as for individual purposes or, in other words, which enable them to bring their mental background into use.
3. The regulations of a society which enable individuals to cope financially with the opportunities offered, this being done through redistribution of income or by special grants in case of need or unexpected drop in income.
4. The welfare services of a society by which individuals are assisted who, through lack of finance, knowledge or capacity, are unable to meet their own needs, so that these have to be covered with the help of others.

Sustainable Development Perspective:

By the end of 70s of the last century, it was realized that the nature and extent of development, as was conceived and being pursued, would harm more than help the 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 about an approach to development which would minimize 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 of 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.

There must be a limit to economic growth. This could be realized when environmental misbalance and ecological attrition appeared as an apparent necessary offshoot of this growth. The green movement' arose world over and people became concerned about environmental problems and started conserving and protecting the natural resources and animal species as a response to the report 'The Limits Growth' published in the early 1970s by the Club of Rome – a group formed by the industrialists, business advisers and civil servants of Italy. The report warned that the current rates of industrial-ization and development would be unsustainable due to pollution of air and water and depletion of the natural resources. Anthony Giddens, in his book *Sociology*, has discussed the criticism labelled against the views in the report of the Club of Rome. The main criticism was that the report considered only the physical limits of the growth and ignored the role of market forces, which work to keep balance between available resources, demand and supply, and the capacity of human being to respond to the environmental challenges of technological growth. The view that economic development should be limited was also criticized as pointless and it was argued that economic development should be promoted and less developed countries should not be barred from their own process of development.

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". Since the publication of the report, the concept of sustainable development gained currency the world over and attracted the attention of environmentalists, NGOs and governments. United Nations, in particular, has been attentive since then and organizing summits with agenda of sustainable development. Economic development without considering its impact on environment and adopting measures to

protect it from ill-effects of development would be fatal for the human society.

Conclusion:

The concept of sustainable development aims at maximizing the net benefits of economic activities, subject to maintaining the stock of productive assets (physical, human and environmental) over time and providing a social safety net to meet the basic needs of the poor. Sustainable development attempts to accelerate development in an environmentally responsible manner keeping in mind the intergenerational equity requirements.

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