

Unit 1

References

Development and Progress: Economic and Social Dimensions

Contents

- 1.1 Introduction
- 1.2 Understanding of Development and Progress
- 1.3 Comte, Morgan, Marx and Spencer on Development and Progress
- 1.4 Tonnies, Durkheim, Weber, Hobhouse and Parsons on Development and Progress
- 1.5 Development as Growth, Change and Modernisation
- 1.6 Capitalist, Socialist and Third World Models of Development
- 1.7 Development: Social and Human Dimensions
- 1.8 Paradigm Shift in Development Strategies
- 1.9 Conclusion
- 1.10 Further Reading

Learning Objectives

This unit will help you to explain;

- perspectives on development and progress;
- development as growth and modernisation;
- social and human dimension development; and
- paradigm shift in development discourse.

1.1 Introduction

The concepts of development and progress are often used in a positive sense to indicate the processes of advancement of individual or of collective phenomena or of objects or of actions. Human society has made a long journey in this; so is the concept of development. For centuries development was understood as progress, thereafter as growth, as change, as transfer of notion, as modernisation and so on. Very recently it is understood (along with economic) as social and human development as well. Human society has progressed and developed through several stages. Indeed, human society has made a ceaseless journey from the stages of savagery to barbarism, from barbarism to civilisation, from theological to metaphysical, from metaphysical to positive scientific, from simple to doubly compound, from doubly compound to trebly compound, from homogenous to heterogeneous, from under-developed to developed, from ancient to feudal, from feudal to capitalist, from traditional pre-industrial (mechanic solidarity), to industrial (organic solidarity) from pre-rational /pre-capitalist to rational capitalist, from primitive to intermediate, from intermediate to modern, agrarian to industrial, rural to urban and so on. In social science literature, these advancements have been viewed from diverse perspectives or orientations and have been diversely understood in philosophical, political, economic and social terms. This unit delineates the major perspectives on progress and development. We have initially located these concepts in the evolutionary perspectives as elaborated by the classical social thinkers like Morgan, Comte, Spencer, Hobhouse, Marx, Weber, McClelland, Durkheim and Parsons and go on to explain development in economic and social terms as has been visualised in the contemporary world.

The economic notions of development as predominantly understood by growth in the Gross Domestic Product (GDP), and the Capitalist, Socialist and the

Third World models of development are also widely explained. Developmental perspectives have experienced a paradigm shift since the late 1970s. The notions of human and social development have required a central place in the emerging perspective on development. New strategies have also emerged to integrate the marginalised people and women in the development process and to redefine the role of the state in development. Hence the reformulated strategy of development, i.e., development with empowerment of the marginalised groups and the related issues are also examined in the last section of this unit.

As this is the first unit of this course, we have raised several issues here. These issues would be discussed and critically analysed at length in the following units of this course. Let us begin with an understanding of the concepts of development and progress.

1.2 Understanding of Development and Progress

As we proceed to understand the notion of 'development', we encounter several related notions, viz., evolution, progress, change, growth, transformation and so on. Indeed it is crucial that we should have an understanding of all these notions or concepts at the very outset even though there is a tendency to use them interchangeably.

The notion **evolution** is derived from the Latin word *evolvere*. It means 'to develop' or to 'unfold' which is closely related to the Sanskrit word *vikas*. The concept of evolution is specifically applied to mean the internal growth of a living organism — the plant, animals, etc. Moreover, internal growth has also seen through various stages of gradual transition. For example, seeds evolve to seedlings, then to plants, to trees and then starts the maturity and aging process of the trees.

The notion of **progress**, on the other hand, is used to mean 'to step forward' that coincides with the Sanskrit word '*pra-gat*'. The fundamental meaning of progress, therefore, is the forward march or advancement towards a desirable end. There may be as many types of progress as there are desirable ends, for instance, progress in the acquisition of learning in health, in our march towards a place, etc. Moreover, historically progress has an ethical connotation and is taken to mean advance towards the ultimate moral values which human kind had been striving all down the ages to attain (Gisbert 1994: 467). However, the human moral values and the standard of judgments, are as diverse as human societies. All these diversities do affect the process of attainment of different indicators of progress.

The concepts of development and progress have been understood by the social scientists from diverse perspectives — conflict, functional, neo-conflict, structural functional etc. However in this unit, we shall describe them as early perspectives, the perspectives of Marx, Weber, Durkheim and Parsons. We shall categorise these thinkers in terms of various schools of thought while discussing change and modernisation in the next unit.

1.3 Comte, Morgan, Marx and Spencer on Development and Progress

One of the early concerns of anthropologists and sociologists was to examine the development and progress of human society from an evolutionary perspective. The grand ideas of Morgan, Comte, Spencer, Marx, Durkheim, Weber and many others are still considered for examining the journey of human society through various stages of development and progress. In the early part of the nineteenth century, the philosophy of history, which helped to formulate the general idea of progress, became very important especially

through the writings of Hegel and Saint-Simon who, later on, left their imprint on the work of Auguste Comte and Karl Marx and others. Let us begin with the work of Comte who was a student of Saint-Simon.

a) **Auguste Comte (1798-1857)**

August Comte (1798-1857), the founding father of sociology focused his attention on the study of change, development and progress in human society. He divided the study of society into two parts: **social statics** (the study of major institutions or institutional complexes) and **social dynamics** (the study of development and change). Comte saw human society and history as a single entity. Moreover he regarded the history of Europe as synonymous with the history of the human race (Aron 1965: 65). Accordingly he made several generalisations.

Comte observed that certain types of societies were dying and others were being born. The dying types were the theological and military. Medieval society was united by transcendent faith as expounded by the Catholic Church. Theological thinking was contemporaneous with the predominance of military activity, which was expressed by the fact that the highest rank was granted to warriors. The type being born was scientific and industrial. In this society the scientists replaced the theologians; and the industrialists, businessmen, managers and financiers replaced the warriors. Indeed from the moment man related thinking scientifically, the chief activity of collectivities ceases to be the war of man against man and becomes the struggle of man against nature, the systematic exploitation of natural resources (Ibid: 64).

Comte gave a universal scope and a deeper meaning to the idea of progress when he expounded the law of three stages of human evolution. To him, the human mind passes through three stages of progression — theological, metaphysical and positive. In the theological stage human beings explain phenomena by ascribing them to beings or forces comparable to humans themselves. In the metaphysical stage human beings explain phenomena in terms of nature; in the positive scientific stage man examines the phenomena and their linkages are examined in terms of reasoning. “To Comte, the method that triumphed in mathematics, astronomy, physics, chemistry and biology must eventually prevail in politics and culminate in the founding of a positive science of society that is called sociology (Ibid: 66)”.

When Auguste Comte defined sociology as the science of order and progress, and divided it into social statics (order) and social dynamics (progress), he was in fact inferring that progress was possible through order. He tried to understand social changes that occurred in the early years of the industrial revolution as an evolutionary process. The theory of evolution explains that societies pass through a number of stages starting from a simple form and becoming more complex as the process of evolution progresses. In the same way, Auguste Comte put forward the idea of evolutionary change and also related the idea of progressive change to the development of intellect, in particular the development of scientific thought. This “law of three stages” postulates that intellectual progress is accompanied by moral development, with a number of changes in social institutions as well. Comte considered material as well as moral progress to be essential types of progress and social change as a product of internal forces, that too, in a linear form.

b) **Morgan (1818-1881)**

Morgan was the first person to bring forth the definite order of human society systematically. He identified three main epochs through which human society progressed. These are *savagery*, *barbarism* and *civilisation*. He sub-divided savagery and barbarism again into lower, middle and upper orders according to the progress made in the production of the means of subsistence. To him,

Approaches to Sustainable Development

“upon their skill in this direction the whole question of human supremacy on the earth depended. Mankind are the only beings that may be said to have gained an absolute control over the production of food. The great epochs of human progress have been identified more or less directly, with the enlargement of the sources of subsistence” (cf Engles 1970: 204). It would be interesting to elaborate a little more on how the human beings progressed from stages of savagery to barbarism and then to civilisation.

Savagery

- a) Lower Stage: Human beings lived in tropical or sub-tropical forests on trees. Fruits, nuts and roots served them as food.
- b) Middle Stage: Human beings began to utilise fire and fish as food. The new food made them independent of locality and human movement started geographically. Human beings of this stage predominantly used crude stones as weapons.
- c) Upper Stage: Human beings invented bow and arrow, wild animals were added to their food, and hunting became their normal occupation. Wood vessels and utensils were also used.

Barbarism

- a) Lower Stage: Human beings entered into the stage of barbarism with the introduction of pottery.
- b) Middle Stage: It began with the domestication of animals in the East; and in the West it began with cultivation of edible plants, introduction of means of irrigation; use of sun dried bricks and stones for making buildings.
- c) Upper Stage: This is a very transitional phase. This stage begins with “smelting of iron ore and passes into civilisation through the invention of alphabetic writings and its utilisation for literary records”. The use of iron ploughshare drawn by cattle, wide scale land cultivation, unlimited increase in the means of subsistence, rapid increase in population characterised this stage.

Civilisation

It is the period in which knowledge of the further working up of natural products, of industry and of art was acquired (Ibid: 209). In this phase of progression human society has acquired sophistication in dimensions of life.

c) **Karl Marx (1818-1883)**

Marx presents an interpretation of the structure, functioning and progression of the capitalist society from the previous stages. Marx however provides the idea of radical transformation of society by elucidating a comprehensive theory of human progress in terms of contradiction inherent in the material structure of society. To him the actual basis of society is its economic structure. To quote Marx:

In the social production which man carry on, they enter into definite relations that are indispensable and independent of their will, their relations of production correspond to a definite stage of development of their material powers of production. The sum total of these relations of production constitute the economic structure of society, the real foundation on which rise the legal and political superstructures and to which correspond definite forms of social consciousness. The mode of production in material life determines the general character of the social political and spiritual processes of life At a certain stage of their development, the material forces of production in society come in conflict with the existing relations of production Then comes the period of social revolution. With the change in the economic foundation the entire immense superstructure is more or less rapidly transformed to reference (Marx 1992).

Marx outlines the asiatic, the ancient, the feudal and the capitalist as the major modes of production or epochs in the progress of human society. The asiatic mode of production does not constitute a stage in the Western society. Primitive communities are characterised by community ownership and their subordination by the State. In the ancient mode of production, slavery and in the feudal mode of production, serfdom provide the foundation of the productive system. The capitalist mode of production is characterised by large-scale commodity production, emergence of free labour markets and rapid growth of technology. Marx forecasts that capitalism would be replaced by socialism through violent revolution.

Marx argues that new developments of productive forces of society come in conflict with existing relations of production. For Marx, it is the growth of new productive forces and the contradiction built into them outline the course of human history. Class struggles have been recognised as the driving force of social change and development. To him “the history of the hitherto existing society is a history of class struggles”. The dichotomous class-based societies would be replaced through a vehement class struggle to usher in an epoch of classless, stateless society whereby each would contribute according to one’s capacity and would receive according to one’s need.

d) **Herbert Spencer (1820-1903)**

Herbert Spencer believed in progress and in the unity and irreversibility of historical development. The law of Progressive Development of society was his central concern. Spencer was highly influenced by Charles Darwin’s work *The Origin of the Species* (1859).

Spencer propagated that all through the ages there had been social evolution from a simple, uniform or homogenous structure to a complex multifold or heterogeneous one. Thus he drew an analogy between the living organism and human society in explaining their progress through evolutionary processes. To him, in the process of evolution, societies march from simple to various levels of compound on the basis of their composition. The aggregate of some simple societies gives rise to compound societies; and the aggregate of some compound societies gives rise to doubly compound societies. The aggregate of doubly compound societies gives rise to trebly compound societies. Simple societies, according to Spencer, consist of families unified into clans, doubly compound societies consist of clans unified into tribes; and trebly compound societies have tribes brought together forming nations or states (Timasheff 1967: 40).

Spencer has also delineated the evolution of societies from military to industrial as a model of analysis. Compulsory cooperation; a centralised pattern of authority and social control; myths and beliefs reaffirming the hierarchical notion of society; rigorous discipline and close identity between public and private spheres characterised the military society. The industrial society, on the other hand, was characterised by voluntary cooperation; recognition of personal rights; separation of the economic realm from political control of the government; and growth of free associations and institutions (Ibid: 42).

It is very important to note that Spencer’s model of evolution helped explain the emergence and expansion of the *Laissez Faire* doctrine of free market in Europe and America.

Spencer was of the view that progress was largely due to pressure of population and he presented a comprehensive theory by including a variety of factors in his theory of social evolution and progress. He treated human society as a biological organism and, therefore, tried to study “development” in the sense of change from within. He propounded an analogy between society and organism and between social and economic growth; and argued that “with increase in size, the structural complexity of the society also increases.”

Reflection and Action 1.1

What are the fundamental tenets of progress of human society as propagated by Morgan? How are these different from those of Comte?

1.4 Tonnies, Durkheim, Weber, Hobhouse and
Parsons on Development and Progress

The idea of progress and development were further explored by many scholars highlighting the discontinuities between old and new. In this section we shall focus only on the central ideas of Tonnies, Weber, Durkheim, Hobhouse and Parsons.

a) Tonnies (1855-1936)

To Tonnies, in Gemeinschaft human beings are united by their natural condition — by blood relations, by marriage or through a strong relationship between husband and wife, mother and child and among siblings. The kinship group, neighborhood and friendship are the major types of groups in the gemeinschaft, who are guided by the authority of the common will. Moreover the common will is evolved based on shared beliefs, values and ways of behaving. In the gesellschaft, on the other hand, there is no common will as individuals are guided by self-interest. Here every relationship is measured in terms of its value or worth which are measured in terms of amount of labour used for their production. Thus the relationship in gesellschaft is a production relation.

Through these theories, an attempt was made to explain the course of social evolution in a linear sequence. Tonnies viewed development as the loss of Gemeinschaft or human community. He believed that the Industrial Revolution was tearing apart the idea of family and replacing it with emphasis on facts and efficiency. Societies all over, especially in North America and Europe, had begun to focus on self-interest, what Tonnies called Gesellschaft.

b) Durkheim (1858-1917)

Durkheim also conceived society in terms of an evolutionary scheme. He talked about **social solidarity** by which he meant the moral beliefs and ideas, which defined the “common sense” underlying social life. Like a social evolutionist, he was of the view that **mechanical solidarity** (characteristics of pre-industrial societies) was based on agreement and identity between people, while **organic solidarity** in industrial societies was derived from agreement to tolerate a range of differences, conflicts being moderated through a variety of institutional arrangements such as courts, trade unions and political parties.

In the pre-industrial societies there is little or no division of labour, every one works in similar ways and consumes in similar ways; there is little division of opinion, little individuality. In organic solidarity, on the other hand, there are specialisation of activities and advanced division of labour whose production, distribution and consumption are carried out in specialised ways (Durkheim 1965: 133).

Durkheim tried to explain social change as the result of changes in the bonds of morality, which he called social solidarity. Societies based on mechanical solidarity are transferred to organic solidarity by the growth of industrialisation, heterogeneity, differentiation, specialisation of activity and individualism. The problem of the growth of population, shrinking of natural resources and growing individualism (growth of material and moral density), according to him, is resolved by division of labour in the industrial society, i.e., in the organic solidarity. As each individual is specialised and also individualism is respected they are socially integrated with bondage of division of labour. Indeed division

of labour in the organic solidarity ensures the integration of individual specialisation in the system. However, abnormal division of labour, according to Durkheim, may lead to normlessness (anomie)

References

Box. 1.1: Material and Moral Density

To Durkheim, material density means sheer increase in the number of population in a given space. Which moral density indicates the increased interaction among individuals caused by their increase in numbers.

Durkheim considers the development of the division of labour in the society to be associated with the increasing contact among people (moral density) since the greater density of contact leads to the specialisation of people. But, he argues, the moral relationship can only produce its effect only if the real distance between individuals diminishes, which means increase in material density. What Durkheim refers here is that moral density cannot grow unless material density grows at the same time. He refers to the ways in which this happens:

- 1) Concentration of people: People begin to concentrate together. Agriculture may begin this, and this continues with the growth of cities as well.
- 2) Cities: Cities always result from the need of individuals to put themselves in very intimate contact with others. They can multiply and extend only if the moral density is raised.
- 3) Transportation and Communication: Increased number and rapidity of means of transportation and communication results in suppressing or diminishing the gaps separating social segments which in turn increase the density of society.

Source: Durkheim 1933 and 1984

c) Max Weber (1864-1920)

Weber has examined the question of development of human society in the context of his study on capitalism. He pointed out that capitalism, as a symbol of progress, emerged out of rationalisation of work ethics, savings, frugal life style beliefs, values, and attitudes. Weber pointed out that capitalist industrialisation emerged in selected countries of Western Europe and not in other places because Calvinist Protestants of these countries developed a lifestyle of this worldly asceticism by way of rationalising their thoughts, religious beliefs and values to reduce consumption and to promote investment in industry with a view to glorifying the world as desired by God. Turning to India, Max Weber pointed out that the predominance of traditional values of Hindustan in terms of *Dharma*, *Karma*, *Moksha* and *Sansar*, traditional caste values, etc., were the major hindrance to the development of rational capitalism in India. In brief, Weber observed the development of human society from traditional pre-industrial to rational capitalist which was mediated by a process of rationalization of religious beliefs.

David McClelland, like Max Weber, emphasised those internal factors like the values and motives of the persons to provide opportunities to shape their own destiny. Therefore, the problems of backwardness, poverty, malnutrition, etc., are vitally linked to traditional and non-traditional thought. He was of the view that educational programmes and technical aid aimed at increasing the “need for achievement” of the people of backward areas are needed to solve these problems. McClelland concluded that modernisation and development can be achieved through a process of diffusion of culture, ideas and technology.

d) L.T. Hobhouse (1864-1929)

Hobhouse was strongly influenced by both Comte and Spencer. Following Comte he propounded that “the development of the human mind was the crucial

factor in social development”, while from Spencer he took the viewpoint of social evolution or development as a process of increase in scale, complexity and internal differentiation. Hobhouse highlights that the development of the mind brings about social development and “since this mental development includes a development of moral ideas towards the ideal of a rational ethic, which transforms the major social institutions, it can be regarded as progressive” (Bottomore 1962: 293).

e) **Talcott Parsons**

Parsons has used an evolutionary perspective to explain the development of human society through several stages. He introduced the concept of **evolutionary universals** to mean that despite historical specificities there are some general directions of evolution through which each social system evolves. He also emphasized on a historical and comparative analysis of major types of evolutionary stages of the social system across the globe ranging from primitive to the modern industrial society. Parsons analysed the following types of evolutionary societies: **Primitive/Archaic, Intermediate and Modern.**

The primitive societies are characterised by elementary forms of social organisation and elementary economic activities like food gathering, hunting, animal husbandry and cultivation to meet the survival needs of human beings. These societies predominantly use elementary technology. Their cultural expressions are integrated with animism, magic and religion. They have a very simple political system, which is governed by the community’s collective rule.

The intermediate societies evolve from primitive societies out of the pressure for social differentiation caused by growth of population. To Talcott Parsons, as a result of population growth the division of human settlements between towns and cities on binary lines increases. This also leads to occupational differentiations and the emergence of new classes of people in society. Thus there would emerge elaborate systems of stratification based on one’s control of power, wealth or status or in the pattern of the caste system. There would evolve generalised rules and codified norms for social control paving the way for the sustenance of a systematised political structure in the form of feudalism or monarchy. To Marx, traditional China, India, Islamic and Roman Empires are typical examples of intermediate societies.

Modern societies, according to Parsons, are a unique contribution of the West to humanity, which evolved because of the industrial revolution, democratic revolution led by French revolution and educational revolution. The Industrial revolution brought about radical changes in the production process with the help of advanced technology and science. The French revolution brought forth the ideas of equality, fraternity and justice paving the way for democratic governance and achieved social status. Education initiated the process of secularisation and universalisation of liberal thought. The main feature of modern society, according to Parsons are: the growth of universalistic law, evolution of the modern institution of money and banking, rational bureaucracy and growth of democratic society (for further details on Parsons read MSO – 001).

Reflection and Action 1.2

Compare and contrast the evolutionary models of development as elaborated by Marx and Parsons.

1.5 Development as Growth, Change and Modernisation

Though there are perceptive disagreements, development has also been understood widely in terms of increase in productivity, increase in the intensity

of modernisation, urbanisation and industrialisation. Here development has been viewed as the processes of the quantum increase of the goods and services, as transformation of society from pre-modern to modern in terms of institutional arrangements, as transformation of economy from agrarian to industrial, as migration of population from rural to urban areas, as shifting of economic activities from agricultural to non-agricultural and so on.

In this section we shall discuss the different connotations of development as in general perceived in the post-World War II period. We shall also discuss the impact of these notions of development in society very briefly.

- I) **Development as Multiple Connotations:** There are several connotations about development, such as development as **growth**, development as **change** or **transformation** and development as **modernisation**.
 - a) **Growth:** In economic terms, development as growth refers to an increased capacity to produce consumption goods and a concomitant increase in consumption patterns. (Little, cf Marglin and Marglin 1990: 1). As growth, development very simply may be defined with respect to an increased ability to fulfill basic human needs of food, clothing, shelter, healthcare and education. (Streeten and associates, cf Marglin and Marglin 1990: 2). In a third sense of growth, development has also been defined in terms of expansion of possibilities, an increase in individual choices, capabilities and functioning (Sen, cf Marglin and Marglin 1990: 2). Development in the above senses carries with it connotations of being positive, progressive, and natural beneficial and inevitable.
 - b) **Change and Transformation:** Development as change and transformation refers to the economic, social, political and cultural processes of change in human societies (Schrijvers 1993).
 - c) **Modernisation:** Development is also understood as modernisation, though some may disagree about them being one and the same thing. Often modernisation being seen as a means to development. In the economic realm it refers to the processes of industrialisation, urbanisation and technological transformation of agriculture. In the political realm, it requires a rationalisation of authority in general and a rationalising bureaucracy in particular. In the social realm it is marked by the weakening of ascriptive ties and the primacy of personal achievement in advancement, and in the cultural realm it is the growth of science and secularization, along with an expansion of the literate population that makes for what has been referred to as a “disenchantment” of the world (Marglin 1990). Development in this sense of modernity stands for what is understood as **Westernisation**, where the west stands as the model for the progress of the rest of the world. Development in this sense becomes a comparative adjective, which is based on the western centric assumption that there is a process of linear evolution of the world in which the West leads world history and evolution and that other nations must follow in their footsteps towards a homogenous world.

The term development has acquired a special meaning since the end of World War II when an era of development was launched by the American President, Harry S. Truman, who publicly expressed the need to embark on a bold new program for making the benefits of scientific advances and industrial progress of his country available for the improvement and growth of “underdeveloped” areas. Discounting old imperialism and exploitation for foreign profit, he announced a program of development based on concepts of democratic fair dealing

(Esteva 1992). Development by this declaration came to connote as an escape from the undignified condition called “underdevelopment”.

- II) **Development and its Impact.** As development was predominantly defined in terms of increase in productivity, economic prosperity and an expansion of the market economy; underdevelopment had been constructed as the phenomena of poverty, low productivity and backwardness. There was optimism that economic growth was the fastest road to development. From the 1950s onwards, therefore, there has been an obsessive focus on industrialisation and growth of GNP and it has been assumed that the natural consequence of a rapid growth in these will bring about positive changes in existing social conditions. However there were several adverse consequences due to this.
- a) As development has meant industrial growth, profits and resources were diverted to feed industry at times ignoring the basic subsistence need of society. It obviously led to the expansion of the market at the cost of livelihoods for many. While it has generated utilities of consumption and luxury, it has also resulted in higher levels of pollution and erosion of natural resources that threaten mankind’s very existence.
 - b) The growth-oriented development was accompanied by an increase in inequalities and social disintegration. There was evidence everywhere to show how development itself either left behind or even created a new large area of poverty and stagnation, making for marginalisation and exclusion of sections of populations from the fruits of social and economic progress. Gunder Frank who perceived the injustices of the existing developmental processes, coined the phrase **development of underdevelopment**, for he held that the process of development that is underway makes some people and regions developed while others are underdeveloped as a result of this global dynamics of the world system.
 - c) Economic growth has manifested itself in terms of an internationalisation of the economies of developing nations a boom in the financial capital at the disposal of nations; and increased mechanisation impacting processes and patterns of production and consumption. It has also meant increased concentration of wealth, wide disparities in distribution of wealth, the withdrawal of the welfare state and an increasing role of the military in the political and economic life of countries. Thus economic growth and economies of concentration cannot be a generator of development in the widest sense of the word.
 - d) The economic model is mechanistic and its assumption of economic rationality is not suited to poor Third World nations. A liberalised market, for instance, means an exclusion of the vast masses of the poor people from economy and that cannot be a way of removing poverty, the greatest developmental issue for the Third World.
 - e) Increased income levels, multiplied exports and raised economic growth of a few regions cannot take away from the urgency of the problems of increasing poverty of the masses, depleting resources, unemployment, underemployment, inadequate housing and mounting foreign debts that threaten national sovereignty, besides entailing a chain of reactions that can deplete national resources and capabilities to irreversible limits.

If this economic development causes anxiety, alienation, fragmentation, cynicism and demobilisation, it would itself abort what it seeks to do, that is, progress of humanity. Yet we need development to address the powerlessness that people feel due to illiteracy, unemployment, lack of productive assets and lack of knowledge. We cannot deny the need to change the fact of substandard existence and poverty that dogs the vast masses of humanity. We must also work towards expanding possibilities for people to fulfill themselves, yet we must be cautious of “the binary, the mechanistic, the reductionist, the inhuman and the ultimately self-destructive approach to change” that development has meant, given its political anchoring (Rahnema 1997).

From the above discussions we can conclude that the balance sheet of development may not be very optimistic, yet it still carries the only possibility of ameliorating long standing human problems of poverty and backwardness. Now let's learn the different models of economic development.

1.6 Capitalist, Socialist and Third World Models of Development

Economic development has been the prime concern of the modern state. However, this concern has been widely linked with the ideology and power structure of the state. As the nature of the power structure and state ideology are diverse, there have emerged diverse models of economic development across the globe.

In the post-World War II period the process of decolonisation, the emergence and need for economic reconstruction of nation-states, and the shadow of the Cold War widely shaped the development discourse till the late 1970s. The industrial and political rise of the West and Southern Europe and North America on the one side, and Russia and communist states on the other, alongside the stagnation of a vast number of nations with low productivity, industrial backwardness and poverty gave rise to the First, Second and Third World models of development respectively, i.e., **Capitalist, Socialist and Third World**.

The capitalist model of development is characterised by provision of private ownership of property and means of production, minimum state control on economic enterprises, and a free economy regulated by competition. The developmental model also emphasizes sustained growth and modernisation with massive state investment at the take-off stage. From the view of this perspective, “economic development would revolve around industrialisation and the transfer of an underemployed rural labour force to the more productive occupations in the urban industrial sector. The state would have to mobilise domestic and foreign saving to create an investment pool from which it could finance a programme of directed industrial development” (Corbridge 1995: 2).

The First World model of development, however, encountered several challenges with the expansion of the socialist model of development represented by the Second World. The socialist model was contradictory to the capitalist model of development as it propagated the abolition of ownership of private property and means of production, emphasised state ownership of means of production, state-owned public enterprise, and a state regulated economy and centralised planning by the state for economic growth. While both the capitalist and the socialist models laid primary emphasis on economic growth, the socialist model also emphasised on the equal distribution of the fruits of growth among all sections of the population.

The Third World is represented by the ex-colonial, newly independent and non-aligned countries of Asia, Africa and Latin America who are industrially backward. Indeed the Third World development perspectives are caught between the conflicting ideologies of the First and Second world. These

countries represented a diverse variety in terms of their socio-cultural and political setting and historical experiences and levels of technological and economic development. However, notwithstanding these variations these countries are economically and technologically underdeveloped, and are undergoing the process of nation-building and fast social transformation in the post-colonial era. As against these backdrops, these countries have been experimenting with diverse models of development. For example, India has followed the path of “mixed economy” by adopting a path of development in between the capitalist and socialist models.

Significantly, in the 1950s, the growth theory was visualised from social, cultural, and political terms which coincided with the modernisation perspective on development. The modernisation theory was associated with both the capitalist and socialist social and cultural orders. A vast number of Third World societies also followed the path of modernisation with varied degrees of success. Indeed the historical experience and specific socio-cultural contexts have given rise not only to diverse patterns of modernity across the globe, also they contributed towards the emergence of imbalanced economic and political relationships among the nations.

The dependency theorists argued that unequal trading relationships and capitalist development have made the countries of the southern hemisphere dependent on the northern hemisphere, especially Western Europe and North America, for capital, technology and market. To Gunder Frank, the exposure of the developing countries to the economic influence of the capitalist countries have contributed to their dependency latter. (You will learn more about the modernisation and the dependency theories of development in the subsequent blocks of this course).

Reflection and Action 1.3

Write on the sociological critiques of the various models of development.

It is important that since the 1980s there have been serious doubts on the major theories of development. “The leftist strategies of development were at least partially, if not wholly, discredited by the collapse of communism, whilst theories that advocated a development path based on the western capitalist model were also seen as having delivered few of the benefits that they have seemed to promise.” It has also been observed that Third World countries have been struggling under the weight of accumulated debt to the developed countries. The “structural adjustment programmes” have been forced on them by the West, especially the World Bank and the International Monetary Fund (IMF) with a view to creating conditions of economic growth by removing obstacles to the efficient operation of the free market. Note that the structural adjustment programme has not stimulated economic growth all over the Third World (Parfitt, T 2002: 2). In this backdrop let us examine the social and human dimensions of development.

Reflection and Action 1.4

What are the various connotations of development used in the post World War II period?

1.7 Development: Social and Human Dimensions

As discussed in the previous section, in classical term development is always deliberated with economic connotations and it is referred to as an increase in the gross national product or in per capita income. In this understanding, development is equated with growth and it is envisioned that a quantum increase in the production of goods and services would bring development. It

was also assumed that the trickle-down effect of growth would lead to an equitable sharing of benefits, resources and opportunities in society. This process of development, however, has not been able to yield the desired result to humanity, especially in the developing countries. Development pattern of the past few decades have shown the following trends:

- The high Gross National Product (GNP) growth of the fast growing developing countries has failed to reduce the socio-economic deprivation of substantial sections of their population.
- High income for the industrialised countries has not been able to provide protection against the rapid spread of social concerns like drug addiction and alcoholism, AIDS, homelessness, violence and the breakdown of family relations.
- Significantly, some low-income countries have demonstrated that it is possible to achieve a high level of human development if they skillfully use the available means to expand basic human capabilities (UNDP 1990: 10).

Against this backdrop, there has been a perceptive shift in conceptualising development. The realisation is that economic growth is essential for humanity but it should be seen only as a means to improve human choices. The *Human Development Report*, 1990 states clearly:

We are rediscovering the essential truth that people must be at the center of all development. The purpose of development is to offer people more options. One of their options is access to income – not as an end in itself but as a means of acquiring human well being. But there are other options as well, including long life, knowledge, political freedom, personal security, community participation and guaranteed human rights. People cannot be reduced to a single dimension as an economic creature. What makes them and the study of development process fascinating is the entire spectrum through which human capacities are expanded and utilised. It is now realised that people are the real wealth of a nation, that the basic objective of development is to create an enabling environment for the people to enjoy long, healthy and creative lives and that the statistical aggregates to measure national income and its growth have at times obscured the fact that the primary objective of development is to benefit people (UNDP 1990).

In this background let us discuss the concept of human development.

a) Human Development

According to the United Nations Development Programme (UNDP), human development is a process of analysing people's choices. In principle, these choices can be infinite and change over time. But at all levels of development, the three essential ones are there for people (a) to lead a long and healthy life, (b) to acquire knowledge and (c) to have access to resources needed for a decent standard of living. If these essential choices are not available many other opportunities remain inaccessible. Human development, however, does not end there. Additional choices, ranging from political, economic and social freedom to opportunities for being creative and productive and enjoying personal self-respect and guaranteed human rights are also inseparable parts of human rights.

UNDP depicts two sides of human development (a) the formation of human capabilities – such as improved health, knowledge and access to resources; and (b) the people making use of these capabilities for productive purposes—being active in cultural, social and political affairs.

If the scales of human development do not finely balance the two sides, considerable human frustration may result. According to this concept of human development, “income is merely one option that people would like to have, albeit an important one. But it is not the sum total of their lives. Development must, therefore, be more than just the expansion of income and wealth. Its focus must be people” (Ibid:10).

Box 1.2: Human Approach to Development

The Human Development Approach to development is different from the conventional approaches to development, i.e., the economic growth, human capital formation, human resources development, human welfare or the basic human needs approaches. As stated earlier, economic growth, that is, the increase in production (GDP) is necessary but not sufficient for human development. The theories of human capital formation and human resources development consider the human being as a means and not as an end. They are concerned with the supply side. The human welfare approach visualises people only as passive recipients of benefits of development and not as its participants. The basic needs approach aims to satisfy the basic minimum needs, i.e., food, shelter, clothing, etc., of the deprived sections of the population rather than on the issue of human choices (UNDP 1990: 11).

The human development approach puts equal emphasis on the production and distribution of resources, expansion and use of human capabilities, scope of choice, livelihood security, participatory process, social, economic and political freedom. All these indeed emphasise a paradigm shift in the social development strategy of the State.

b) Concern Against Ruthless, Rootless, etc. Growth

Following the conventional path of growth, the world has become more polarised and the gulf between the poor and the rich has widened further. The UNDP, in its *Human Development Report* (1996), points that the poorest 20% of the world’s population has experienced a decline in its share of global income from 2.3% to 1.4% in the last 30 years, whereas the share of the richest 20% rose from 70% to 85% during the same period. The gap in per capita income between the industrial and developing worlds trebled. There have been regional imbalances. The UNDP has voiced its concern against the **jobless, ruthless, voiceless, rootless** and **fortuneless growth** in the late 1990s.

It was jobless growth, since the economy grew but did not expand the opportunities for employment for large sections of the population. For the developing countries, jobless growth has meant long hours and very low incomes for hundreds of millions of people in low productivity work in agriculture and in other informal sectors. This developmental process has been rendered ruthless by the fact that the fruits of economic growth have mostly benefited the rich; while millions of people stagnate in poverty. Ruthless growth causes people’s cultural identity to wither. At places the dominant majority culture amplifies at the cost of marginalisation of the minority cultures. It has also been a voiceless growth as in many places it has not ensured the process of democratic participation of the people in decision making processes. The voiceless growth process also provides women a marginal role in economic development. Again, fast economic growth is also achieved in some countries at the cost of destruction of forests, polluting rivers, destroying bio-diversity and depleting natural resources. In this futureless growth, the present generation squanders resources needed by the future generation. At times the futureless growth benefits the industrialized countries at the cost of increased pressure on the poor people of the developing countries. As against this backdrop, the UNDP says development that perpetuates today’s inequalities is neither sustainable nor worth sustaining (HDR 1996: 4).

c) **Development as Freedom**

References

In this context it is important to examine how development is being viewed as freedom by Amartya Sen (1999). To him, development must be perceived as a vital process of expanding real freedom that people enjoy. To him, expansion of real income and economic growth are not necessarily characteristics of successful development as countries with high GDP and per capita income at times have low achievements in the quality of life. On the other hand countries with low GDP and low per capita incomes have higher human development indicators. Here the central purpose of development is to improve human lives, i.e., expanding the range of things that human beings can achieve and can do. To him, the objective of development is to remove obstacles such as illiteracy, illhealth, poverty, lack of access to resources or lack of civil and political freedom. He does not deny that economic prosperity should be the major goal of planning and policy making. This is, however, only an intermediate goal to contribute to the ultimate goal of development, i.e., the development of human lives. To Sen, both the primary end and the principal means of development is expansion of freedom as freedom in one type helps advancing freedom of other types. While access to economic opportunities is a major factor of economic growth, he also recognises the contribution of instrumental freedom (political freedom, economic facilities, social opportunities, transparency guarantees and protective security) in enhancing economic growth and the contribution of economic growth to facilitate those freedoms that come into the way of full attainment of human potentials.

Reflection and Action 1.5

How is the human development approach is different from the growth approach to development?

1.8 Paradigm Shift in Development Strategies

The post-colonial developing world since the early 1970s has experienced a phenomenal shift in the development strategy. For example, immediately after independence, India adopted a developmental strategy of “growth with stability” with the basic thrust on industrialisation, agricultural modernisation, expansion of infrastructure, education and mass communication. However, in the backdrop of the declining access of a vast number of people to the means of livelihood security, literacy/education, healthcare facilities, housing and other basic necessities of life, the philosophy of “social justice” was integrated in the development discourse in the 1970s. It is important that the focus of development has been shifted for the disadvantaged section of society. Again, since the early 1990s, especially in the wake of globalisation, the strategy of “empowerment with development” has been adopted to integrate the marginalised sections into the mainstream (SinghaRoy 2001). The developmental processes have experienced a phenomenal shift especially in the wake of the collapse of the socialist model of economy, the fast spread of neo-liberalised globalisation, introduction of new structural adjustment programmes, formation of the World Trade Organisation (WTO) and enactment of GATT and GATS agreements. The neo-liberal developmentism has provided a new dimension to the notion of development with the philosophy of one world, one market and one ideology

a) **Redefining the Role of the State**

The *World Development Report*, 1997 emphasised the need for an effective role of the State for social and economic development but in a new form. According to it, the State is central to economic and social development, not as a direct provider of growth but as a partner, catalyst and facilitator. The world is changing, and with it our ideas about the state’s role in economic and

social development. In view of the collapse of the command and control economies, fiscal crisis of the welfare states, explosion in humanitarian emergencies in several parts of the world, growing lack of confidence in governance by private investors, increase in corruption and poverty, various dramatic events especially the technological change in the world economy on the one hand, and the growing discontent of the people, manifestation of grassroots mobilisation and increasing pressure of the civil society on the other, a redefinition of the State's responsibilities was suggested as a strategy for the solution of the some of these problems. According to the World Bank (1997), this will include strategic selection of the collective actions that States will try to promote, coupled with greater efforts to take the burden off the State, by involving citizens and communities in the delivery of the collective goods. It observes that for human welfare to be advanced, the State's capacity – defined as the ability to undertake or promote collective actions efficiently – must be increased.

b) Focus on Empowerment of the Marginalised

The World Development Summit, 1995, talks about "people's initiatives", "people empowerment" and "strengthening capacities of the people". Regarding the objectives of development, it specifically mentions "that empowering people, particularly women, to strengthen their capacities is the main objective of development and its principal resource. Empowerment requires the full participation of people in the formulation, implementation and evaluation of decisions determining the functioning and well-being of societies" (*World Development Summit, 1995*).

To ensure the full participation of the people, it is pointed out that the state should provide "a stable legal framework" in accordance with the "Constitution, laws and procedures consistent with international laws and obligations" which promotes, among other things, the encouragement of "partnership with free and representative organisations of civil society, strengthening of the abilities and opportunities of civil society and local communities to develop their own organisations, resources and activities" (*World Development Summit, 1995*).

It is apparent that within the given perspectives of the "stable-legal framework", "strategic selection of collective action" by the State, possible "partnership of the State with civil society and state sponsored initiatives of the civil society to have their own organisations", certain important dimensions have emerged. These encompass (a) all initiatives for empowerment of the marginalised groups should be in accordance with the prescribed rule of the land (b) the State will selectively co-opt people's initiatives as and when required (c) the civil society organisations would play a significant role for empowerment of the marginalised. Besides proactive State intervention, civil societies are going to play an important role in the emerging development discourse with empowerment.

1.9 Conclusion

Development and progress are social processes. These processes have not got uniform patterns all over the globe as the humanity is diversely located in terms of their geographic, economic, technological and political advancement. However, notwithstanding these variations, efforts are made by the social scientists to develop broad perspectives on development and progress. At times these perspectives have emerged to be contradictory in nature. In this unit we discussed various perspectives on development provided by the classical sociological thinkers. We have also discussed the various models of development as propagated and used by the Capitalist, Socialist and the Third World countries. Shift in the development perspectives since the late 1970s and the emergence of the notion of human development and the strategy of

development with empowerment of the marginalised is also dealt with in the unit. This unit has laid the foundation for a broad analysis of sociology of development which would be followed in the subsequent units of this course.

References

1.10 Further Reading

Dube, S.C. 1992. *Understanding Change*. Vikas Publishing House: New Delhi

McMichael, P. 1996. *Development and Social Change: A Global Perspective*. Fine Forge Press: Thousand Oaks

SinghaRoy, D.K. 2003. *Social Development and the Empowerment of the Marginalised Groups: Perspectives and Strategies*. Sage Publication: New Delhi



Unit 2

Change, Modernisation and Development

Contents

- 2.1 Introduction
- 2.2 Social Change: Concept, Characteristics and Causes
- 2.3 Perspective of Social Change
- 2.4 Modernisation: Concept and Features
- 2.5 Perspectives on Modernisation
- 2.6 Critics of Modernisation Theories
- 2.7 Development: Conditions and Barriers
- 2.8 Observations About Recent Development Experience
- 2.9 Conclusion
- 2.10 Further Reading

Learning Objectives

This unit will help you analyse:

- the various concepts of change, modernisation and development;
- perspectives of change, modernisation and development;
- conditions and barriers of change, modernisation and development; and
- developmental experiences of India.

2.1 Introduction

In the earlier unit of this block we have discussed development from the perspective of progress, evolution and growth. In this unit we shall discuss development from the perspective of change and modernisation. In the earlier unit, you must have noticed that along with the processes of evolution, progress and growth we have also touched upon change and modernisation linked to the issues of development in human society. In this unit we will specifically learn in greater detail how the processes of change and modernisation have been linked to the question of development.

This unit begins with a discussion on the major characteristic features of social change and its causes. Sociologists and anthropologists have perceived the process of change from diverse perspectives. We have presented a glimpse of these perspectives on change here. In comparison to change, modernisation is a relatively new concept. It is also a new process. Besides describing features and perspectives of modernisation we have also presented a critique of this concept. The last section of this unit deals with the process of development, various conditions that facilitate and hinder the process of development. This unit also presents a few developmental experiences.

2.2 Social Change: Concept, Characteristics and Causes

One of the central concern of the sociology of development is change. In societies of all times there is change affecting every realm of life — social, economic, cultural, technological, demographic, ecological and so on. Social scientists have underlined social change in terms of a change in relationships, organisation, culture, institution, structure and functioning of the social system.

According to MacIver and Page (1949), social change is a change in social relationship. It is a process responsive to many types of changes, to changes in man-made conditions of living, to changes in attitudes and beliefs of men and to changes that go beyond human control to the biological and physical nature of things. To Lundberg, "Social change refers to any modification in established patterns of inert-human relationships and standards of conduct." In a similar vein, Judson R. Landis (1960) writes, "Social change refers to change in the structure and functioning of the social relationships of society." Koenig feels "Social change refers to the modifications which occur in the life patterns of people." According to M.E. Jones, "Social change is a term used to describe variations in or modifications of any aspect of social processes, social patterns, social interaction or social organisation."

By social change, Kingsley Davis (1949) meant only such alterations that affect the organisation, structure and functions of society. Robert A. Nisbet (1969) views social change as a succession of differences in time within a persisting identity. To John J. Macionis (1997) social change is "the transformation of culture and social institutions over time."

There are few identifiable characters of social change. Some of them are as follows: that social change happens everywhere, but the rate of change varies from place to place; that social change is sometimes intentional but often unplanned; that social change may generate controversy; that some changes matter more than others do. For example, the invention of personal computers was more important than, say, patch dolls (Macionis 1997).

Causes of Social Change

Social change is caused by various factors. Let us highlight some of these causes here.

- i) **Cultural Change:** A large part of change in society is caused by change in culture. Culture is a system that constantly loses and gains components. Invention, discovery and diffusion are considered to be the main sources of cultural change. Inventions produce new products, ideas, and social patterns. It is a new combination or a new use of existing knowledge. Inventions may be classified into material (telephone, aeroplane) and social inventions (alphabet, language, government, etc.). Each invention is new in form, function and meaning and has long-term possibilities of impact.

Discovery is finding something that has never been found before, or finding something new in something that already exists. A discovery adds something new to the culture and becomes a factor in social change only when it is put to use.

Diffusion is a process of the spreading of ideas, culture and objects to other societies. It operates both within societies and between societies involving trading, migration, and mass communication. It is indeed a two way process.

- ii) **Ideas and Change:** New ideas and modification of old ideas in a new context bring wide-scale changes in society. For example, Max Weber established that rationalisation of religious ideas brought about phenomenal change in Protestant world.
- iii) **Demographic Change:** Demographic change is caused by an increase in birth and decline in death, and migration of populations. Change occurs from the demographic transition in society.

- iv) **Conflict and Change:** Social change is also caused by tension and conflict. Structural strain, deprivation, cultural revitalisation have been the major causes of conflict. Again social division based on class, caste, gender, ethnicity, estate, etc. have also been important sources of conflict in society.
- v) **Social Movements and Change:** Social movements are organised efforts of groups of people to bring about deliberate change in the values, norms, institutions, culture relationships and traditions of the society. They also generate new identities and a new perspective.

Reflection and Action 2.1

Social change is caused by so many broad social processes like urbanisation, industrialisation, modernisation, westernisation, globalisation, spread of education and literacy, enactment of new laws, penetration of mass media and communication networks and so on. Many of these process are interrelated. Select anyone of these social processes and try to explain its impact on change in your society.

2.3 Perspective of Social Change

In the previous unit, we have discussed the perspectives on developments in greater detail. Change represents a broad canvas or contour for development, progress, transformation, growth, modernisation and so on. We have specifically explained these processes in the previous unit. Let us now examine briefly how these perspectives have been used to explain change.

i) **Evolutionary Perspective**

In the second half of the nineteenth century, the concept of evolution assumed a central place in explanations of all forms of human development in both the social and biological sciences for example, Morgan's three epochs of humanity i.e., savagery, barbarism and civilisation and Auguste Comte's ideas of human intellect. Comte argues, human intellect passing through three historical phases of sophistication: the theological, the metaphysical and the positive. Spencer's view is that of human societies passing through a course of natural development, from relatively simple patterns of organisation to more complex structures, characterised by an increasing specialisation of parts.

ii) **The Conflict Perspective**

The conflict perspective can best be understood in terms of tension and conflict between groups and individuals and here change is viewed as an intrinsic process in society. To Karl Marx, social changes take place based on the antagonistic class relations based on ownership of the means of production; between the haves and the have-nots and that this class struggle culminates into a revolutionary change in society with its progression from ancient to feudal and finally from feudal to capitalist stage of development in society. According to Coser, conflict is an inevitable part of the socialisation process and no social groups can be completely harmonious as individuals have a predisposition for love as well as hate. Thus conflict acts as a creative force that stimulates change in society, constructive or destructive.

While Karl Marx has identified class and class conflict based on unequal distribution of material resources, Daharendorf has identified the same in terms of unequal distribution of authority. According to Dahrendorf, all groups in society are divided into those who have authority and those who do not and conflict arises because of unequal distribution of authority in society. This conflict on unequal distribution of authority leads to change in society.

iii) **The Structural-Functional Perspective**

References

To structural-functional theorists, society consists of interrelated parts that work together for the purpose of maintaining internal balance. It perceives roles as locating individuals in social positions, and providing them with articulated sets of expectations specifying the rights and duties of occupants. This perspective is oriented towards order and stability and preservation of the status quo. Let us examine how various scholars have perceived change in this perspective.

Durkheim has observed change in terms of change in the nature of division of labour in society. He believed that the change in labour from traditional society to modern society was the cause for social change. According to Talcott Parsons, society is a system surrounded by three other systems — personality, the organism and culture. There is social equilibrium when the boundaries of the three systems are maintained, and social change results from boundary breaking. Ogburn's theory reasons that societies operate as homogeneous mechanisms and that changes that upset the equilibrium in one part tends to produce compensating changes to restore that equilibrium. To him all aspects of culture, i.e., material or non-material do not change at an equal rate. This creates the phenomenon of cultural lag that ultimately leads to change in society.

iv) **Social-Psychological Perspective**

These theories posit that activities of people constitute the essence of change in society and modifications in the behaviour can facilitate change and play an essential role in social development.

Max Weber thought that modernity was replacing traditional views with a rational way of thinking. In pre-industrial societies traditional views obstructed change, things were the way they were because that is what everyone believed and no one questioned it. In modern societies, things were questioned and answers were calculated.

According to Everette E.Hagen, traditional societies are characterised by fixed status levels and the personalities of the members are authoritarian, uncreative and noninnovational. On the contrary, in modern society, the predominant personality type is innovational, characterised by attributes such as creativity, curiosity and openness to experience. Change takes place when members experience what he terms withdrawal of status respect. This is nothing but disregard for one's role in society or for one's beliefs and aspirations.

David McClelland focused his study on what he called **need for achievement**, symbolized by 'n' achievement. According to him, the greater the development of the 'n' factor the greater the economic development in any society. Consequently, there are certain behaviour characteristics exhibited by people with this 'n' factor, such as individualism, energetic innovative activity, drive for success and so on. In simple words, individual economic achievement produces economic growth.

Reflection and Action 2.2

What do we sociologically mean by change? Compare and contrast between the evolutionary and structural functionalist views on social change.

2.4 Modernisation: Concept and Features

Modernisation is a conceptual framework that articulated a common set of assumptions about the nature of developed societies and their ability to transform a world perceived as both materially and culturally deficient. Specifically, Modernisation theorists posited a sharp distinction between traditional (read poor) and modern (read Western) societies. They took for

granted that economic development, from traditional to modern, proceeded along a single, straight, unambiguous line. Modernisation advocates expected that contact with vital modern societies would accelerate progress in stagnant traditional societies.

a) **Concept of “Modernisation”**

According to scholars, the process of modernisation sums up the changes that combine to convert an agricultural or underdeveloped society with a weak state into an industrialised society with a relatively efficient, active government. The modernisation process embraces changes that leads up to this industrialisation and urbanisation.

According to Wilbert Moore, “modernisation is a ‘total’ transformation of a traditional or pre-modern society into the types of technology and associated social organisation that characterizes the advanced, economically prosperous and relatively stable nations of the Western World”. Similarly, Daniel Lerner defined modernisation as “the process of social change in which development is the economic component”.

In his major work *The Passing of Traditional Society* (1958), Daniel Lerner examined the process of modernisation in several Middle East countries, carried out a sample survey in other underdeveloped societies and supplemented all this with his observations of village society.

Lerner’s premise is that Modernisation is a global process occurring in a similar manner the world over, and the role of indices of development like mass media, urbanisation, increase in literacy, etc. are responsible for the emergence of a new economic order. According to Lerner, modernity is result of not merely institutional changes in society but also due to changes in the personality of people. He had illustrated this with his account of the grocer and the chef in the village of Balgat situated in Turkey.

For Lerner one of the crucial aspects of modernisation is the development of a “mobile personality” which is characterised by rationality and empathy. Empathy is the capacity to see oneself in the other person’s situation, and this enables people to operate efficiently in a changing world. Modernisation, then, is characterised by a high degree of literacy, urbanism, media participation and empathy. To him, compared to the “traditional” individuals, the “modern individual” are happier, better informed and relatively young, and the people placed in the “transitional” category are inclined to be discontented and liable to extremism, especially their progress is blocked by a lack of suitable political institutions.

But Lerner was aware of the fact that although the people placed in the “modern” category seemed happier, there were difficulties in development, for example, strains may be put on the government, there are problems of social control, etc. Similarly, there are personal problems at an individual level, for example, individuals placed in the “transitional” category may have to adjust traditional Arab and Muslim beliefs to a “modern” setting.

b) **Features of Modernisation**

Based on this line of thinking, the main featurese of modernisation may be summed up as follows:

- i) It emphasises a high degree of structural differentiation and specialisation.
- ii) It is based on a mode of production that has come to be known as the capitalist mode of production. It is implied from this that social order is constituted around two important classes — Capitalist, which owns the means of production, and the Working Class, which sells its labour in this process.

- iii) It is essentially a wage labour economy. It highlights the growth of a market economy in which both buyers and sellers are seen as individuals capable of engaging in a rational choice and operating within a framework of voluntarism.
- iv) It highlights the growth of bureaucratic institutions, which themselves are constructed on principles of rationality and role differentiation. It is these bureaucratic organisations that are seen as being the foundations of this theory. The entire gamut of institutions that maintains and regulates social order are seen as bureaucratic.
- v) It emphasises the growth of a political system based on the principle of right as crystallised within the notion of state and mediated through a set of constitutional principles.
- vi) The powers of the state are absolute and there is a democratic process based on the principle of political representation and adult franchise.
- vii) This process of democratisation of society has led to the existence of various interest groups within the political process who represent various competing ideologies that highlight the different ways in which the affairs of the state are to be managed.
- viii) Modernisation process also emphasises the growth of individualism, wherein the individual and individual rights are seen as being at the center of all social, economic and political development.
- ix) Finally, the modernisation processes also emphasise the idea of social progress and through the process of democratisation it is possible for societies to achieve higher levels of individual and social emancipation.

2.5 Perspectives On Modernisation

From the sociological point of view, the process of modernisation has yielded a vast amount of writing. There is no unified perspective on modernisation. We will analyse the following perspectives:

- a) The Ideal-Typical
- b) The Diffusionist
- c) The Psychological
- d) The Marxist

The first three perspectives have dominated American thought and received immense support and patronage all over, especially in the nineteen fifties and sixties. The fourth approach has emerged as a challenge to the other three approaches and offers a critique of their main tenets.

Similarly, the Marxist perspective has also contested the other four perspectives.

a) **The Ideal-Typical Perspective**

This approach has manifested itself in two major variants, namely:

- i) The Pattern Variable Perspective
- ii) Historical Stage Perspective

i) **The Pattern Variable Perspective**

This perspective is derived from Max Weber's concept of "ideal type" which was later systematised by Talcott Parson. According to this perspective, characteristics of development and underdevelopment must be identified and

then programmes and schemes of development should be made whereby underdeveloped countries discard the pattern variables of underdevelopment and adopt those of development.

Inspired by the work of Talcott Parsons, Smelser elucidated that the modernisation process was made up of four sub-processes:

- i) The modernisation of technology, leading to a change from simple traditionalised techniques to the application of scientific knowledge;
- ii) The commercialisation of agriculture, which is characterised by the move from subsistence to commercial farming, leading to a specialisation in cash-crop production and the development of wage-labour;
- iii) Industrialisation, which depicts the transition from the use of human and animal power to machine power;
- iv) Urbanisation, which brings about the movement from farm and village to the large urban centers.

These processes sometimes occur simultaneously and sometimes at different times. For example, in many colonial situations, agriculture becomes commercialised without industrialisation. Nevertheless, these four processes affect the social structure of traditional society in similar ways.

Firstly, as a result of these changes taking place simultaneously or at different rates, traditional societies became more structurally differentiated. For Smelser, a developed economy and society is characterised by a highly differentiated structure, whilst an underdeveloped one is relatively lacking in differentiation. By “differentiation” Smelser meant the process by which more specialised and more autonomous social units were established. He saw this as occurring in several different spheres of traditional society, in the economy, the family, the political system and religious institutions.

So, structural differentiation is the process whereby one social role or organisation differentiates into two or more roles or organisations which function more effectively in the new historical circumstances. The new social units are structurally distinct from each other, but taken together are functionally equivalent to the original unit.

Secondly, as these differentiated units merge into larger units of the modern type, new relationships, which are not based on kinship, develop. This, Smelser calls, the process of integration.

Thirdly, Smelser shows that through such differentiation, social disturbances, such as mass hysteria, outbursts of violence, religious and political movements may occur, which reflect uneven processes of change. This can lead to conflict between the old and new orders of society. In other words, it produces what Durkheim called “anomie” or normlessness — a state of conflicting norms in society and a culture of discontent, where people are unable to realise their aspirations and may turn to violence, crime and other anti-social behaviour or to self-destructive acts such as suicide. As Weber also showed, at the religious level the process of secularisation causes disenchantment, fragmentation between competing or partial world-views, social and private worlds become meaningless and there is a sense of despair and hopelessness. One of the reactions to modernisation has been the emergence of fundamentalist movements that reject modern values and preach a return to traditional ones.

ii) Historical Stage Perspective

In this perspective apart from identification of the gap between characteristics of development and underdevelopment, it also specifies the intermediate stages and their characteristics. This perspective is mainly associated with Rostow and his economic model developed in 1960.

Walt Rostow was an economic historian who served as an adviser to the American government. His book, entitled *The Stages of Economic Growth: A Non-Communist Manifesto* (1960) was pre-capitalist and neo-evolutionary in nature and derived from the idea of an earlier evolutionary theory that change and development take place according to a set of ordered sequences.

According to Rostow, the processes of change are simpler and self-sustaining. Economic growth could be achieved by following a five-stage model of growth. He suggested that “all societies can be placed in one of five categories, or stages of economic growth”.

The first stage; The Traditional Society: The essential feature of this society is that output is limited because of the inaccessibility of science and technology. Values are generally “fatalistic”, and political power is non-centralised. Large number of people are employed in agriculture, which has very low productivity because of the factors mentioned above. In such a society, family and clan groupings are emphasized in the social organisation.

The second stage; The Preconditions for Take-Off: This second stage of growth is one of transition. A traditional society does not move directly into the process of industrialisation; first certain preliminaries need to take place. There are clusters of new ideas favouring economic progress arising and therefore new levels of education, entrepreneurship, and institutions capable of mobilising capital like banks, etc. Investment increases, especially in transport, communications and raw materials, with a general direction towards commercial expansion. But, in accordance with Rostow, traditional social structures and production techniques remain the same. There is the presence of a “dual society”.

The third stage; The Take-Off: In this stage finally the old, traditional order and resistances are overcome. New forces, which trigger economic growth, expand and dominate the society. Agriculture is commercialised, there is a growth in productivity because that is necessary if the demand emanating from expanding urban centers is to be met. New political groups representing new economic groups push the industrial economy to new heights. In Britain, Canada and the United States, the proximate stimulus for take-off was mainly, though not entirely, technological. The take-off period began in Britain after 1783, in France and in United States around 1840, in Russia in about 1890 and in countries like India and China around 1950.

The fourth stage; The Drive to Maturity: In this stage, the growing economy drives to extend modern technology in all its economic activities. Between 10 and 20 per cent of gross domestic product is invested and the economy takes its place in the international order. Technology becomes more complex, refined and there is a move away from heavy industry. Now production is not the outcome of social necessity but of the need of maximising profits to survive in a competitive capitalist market.

The fifth stage; Mass Consumption: In this final stage, the leading economic sectors specialise in durable consumer goods and services. At this stage, economic growth makes sure that basic needs are satisfied and more resources are allocated for social welfare and social security. The emergence of the welfare state is an example. Durable consumer goods and services are diffused on a mass basis.

Rostow thought of his theory as a dynamic one i.e. “that deals not only with economic factors but also with social decisions and policies of governments”.

Reflection and Action 2.3

What do you mean by modernisation? How is the ideal-typical perspective on modernisation different from historical stage perspective as suggested by Rostow?

b) The Diffusionist Perspective

This approach views development as a process in which there is a diffusion of cultural elements from the developed to the underdeveloped countries. The underlying assumption is that the underdeveloped countries cannot overcome their backwardness without assistance from the developed countries. There is diffusion of capital, technology, knowledge, skills, institutions including values and so on. These scholars perceive this aid as a sacrifice on the part of the developed countries for the benefit of the backward and suffering underdeveloped countries. If still a society does not reach the level of modernity and development as projected by them, then it is blamed on the inherent weaknesses present in the underdeveloped-backward societies, like demographic factors, presence of traditional institutions, beliefs, values, etc.

c) The Psychological Perspective

This approach is mainly associated with McClelland, Kunkel, Hagen and others. According to McClelland as mentioned earlier in this unit, a society with a high level of achievement will produce energetic entrepreneurs who, in turn, will produce more rapid economic development. This is because a high level of achievement among people makes them behave in ways which help them fulfill their entrepreneurial roles successfully. Therefore, the crucial factor for economic and cultural development, according to this approach, is the presence of achievement motivation among members. This leads to planned and concentrated growth and development.

d) The Marxian Perspective

This approach accepts the fundamentals of the Marxist philosophical and sociological postulates. According to this approach, the underdevelopment of some countries and the development of others is linked to the emergence of the modern capitalist system on a global scale. So the causes of under development and the problems arising out of this are blamed on the growth of capitalism.

According to this theory, the relationship between the developed capitalist countries and the underdeveloped countries is not one of harmony and cooperation, instead there is a subtle and indirect subjugation of the latter under the guise of “aid”. It is argued that the developed world is transforming the underdeveloped societies into their neo-colonial dependencies and the entire image of “aid”, “assistance”, “support” and diffusion of skills, techniques, capital and modernised institutions and values is false and deceptive. The aid itself is seen as the basic obstacle to overcome backwardness.

Followers of this approach further state that the policies and schemes for development pursued by the ruling class of the advanced capitalist countries are based on a theory of development which relies on strengthening and furthering the interests of the propertied class and the rich.

Therefore it is postulated that a policy of development will only be successful if it is based on achieving the reliance of the working class.

2.6 Critics of Modernisation Theories

In analysing the assets of the modernisation theories, it should be understood that this school of thought emerged in the early years of the 1950s, and began

to disappear in the 1970s when belief in it started to wane. In the light of this, it could be presupposed that the weaknesses of modernisation theories outnumber its strengths; otherwise the theories would still be relevant today.

a) **The Strengths**

The main quality of the modernisation theory is its simplicity — the objective is already visible in the image of the West, and the path to follow is laid out by the history of Western evolution. All that remains is for the traditional society to recognise what is needed, from examination of other “take-offs” to modernity, for their own culture to evolve. Having already achieved their goal, the modern societies can assist in the evolution of the traditional society (although in reality this is far from the truth), by reference to their own history, and so essentially modernisation becomes a form of mimicking — a case of “what works for them should work for us”. The same concept was already covered in the term “Westernisation” (effectively referring to the mimicking of the West), but the word “Modernisation” has far less geocentric connotations, and as a result gains much more affection from developing societies who are keen to retain some sense of their own history.

b) **The Weaknesses**

However, the strengths of the modernisation theory also lead to its weaknesses. A few of them are presented below:

- i) The straightforward approach of advancing a society by way of itself evolving internally is, though easy to grasp and as such having strong exterior appeal, far too basic to incorporate into the world system we see today. The very fact that there are modernised societies to “look up to” entails that a communication and possible co-operation between North and South already exists, and that there are therefore links and ties already in place — not necessarily to the extent that dependency theorists would go, arguing that the South cannot grow without the severing off the North’s stranglehold, but nonetheless significant ties in the organisation of society, which mean that the target society cannot be solely regarded as an internal entity; there is little hope of avoiding international factors in today’s global village.

To resolve this, some thinkers have developed the theory of diffusionism (already dealt with earlier), which bears many of the characteristics of modernisation, but accepts the diffusion of ideas, products, and workforce between both modernised and traditional societies.

A culture can be changed sub-consciously and indeed overnight, in ways that may not be intended or in accordance with planned evolution. Modernisation may be revolutionary in that it replaces the traditional with the modern, but it must also be considered that revolutions can take some time — they are not an instantaneous event.

- ii) Another criticism put forth is that while the developing countries struggle to update its social, political, and economic structures to those of the developed countries, it is extremely likely that the modernised country will continue to grow at the same or possibly faster rate that the developing country will find it difficult to catch up.

Though global evolutionary equality is not a particular goal of the modernisation theory, it is surely one of the aims of development as a whole, and something that is worth pursuing. If this “closing of the gap” cannot be easily achieved by the performance of an established theory, such as seems to be the case with modernisation, then it is clearly not a comprehensive cure for the problem of development.

**Approaches to
Sustainable Development**

- iii) It is also argued that since the modernisation theory is typically a Western phenomenon, its roots obviously must lie around capitalist society — the developing world is to be a mirror image of the civilised world which generally embraces capitalism. For example, it is automatically assumed by thinkers like Rostow that this is the correct way for an underdeveloped society to develop, without considering the implications or alternatives (See Critique of Rostow).
- iv) Rostow has been criticised by many on the basis of the teleological approach. Teleological approach is one where the purpose, which is not explicitly intended by anyone, is fulfilled while the process of fulfillment is presented as an inevitable sequence of events. In Rostow's model, policies are the result of development and not vice versa, and this is unacceptable to many, as policies of a state should be chosen and not just merely adopted. It is felt by many scholars that the characteristics of stages identified by Rostow might overlap or spill into the other stages. For example, the pre-conditions stage things may continue in the take-off stage and could also get carried further beyond this stage. Critics feel that Rostow plays down all the obstacles and never discusses them. Therefore, it is felt by many that his approach is conceptually vague and empirically superficial. In the take-off stage, it is felt that merely a shift from agriculture to other sectors is not enough. For example, while Denmark, Canada and France attained this shift, in other countries like Russia, Sweden, Germany, etc. it did not take place to the extent conceived by Rostow. Similarly, it has also been pointed out by experts that Rostow failed to take into consideration other aspects, like the "bumps, crashlandings and nosedive crashes" in his take-off stage.

Rostow also failed to consider that an economy could reach the fifth stage without going through all the stages or a particular stage. For instance, it has been pointed out that countries like Canada and Australia entered the stage of mass consumption even before reaching the stage of maturity. This was happening, in recent times, with the oil rich countries also. There are limits to a particular country's growth. As there might be instances when a particular country should be regarded as "fully developed" even though it might not have reached the standards of the Western countries like the U.S.A, because it might have exhausted all its natural resources, manpower and capital, which set the limit of growth. With respect to the less developed countries, it is felt that Rostow did not take into account crucial factors like unemployment, underemployment, poverty, lack of infrastructure, nature of the government, etc.

- v) The most well known reaction to theories of modernisation is that of its antithesis, the **Theory of Dependency**. The dependency theory takes a far more global view and postulates that the difficulties in development are not due solely to the internal workings of the country or region in question, but have more to do with the global structures imposed by the developed onto the less developed. This is best illustrated by Andre Gunder Frank's conceptualisation of international relations as a chain of "metropolis-satellite" relationships. Frank (of the socialist tradition) suggests that there is an unseen hierarchical structure to world relations: the chain begins with the first metropolis (usually attributed to the USA) that has no satellites i.e., that has no strong dependencies on any other region and continues downwards; the next layer consists of still strong metropolises, but still require the USA or other well-developed Western societies in some way; until much further down we reach the ultimate satellite, which is dependent on everything above it for existence. Frank argues that these dependence links are both the key and the problem when an inability to develop arises. The sanctions imposed, often consciously, by the metropolises to which the satellite is dependent, strip the freedom of the

satellite society to evolve and grow, because all of their output is effectively consumed by the upper society.

References

This theory is actually visible in reality, with the situation revolving around aid to the Third World, where the interest rates and terms are so harshly imposed that the recipient country will always be at the mercy of the donor. Frank feels that it is the dismantling of these dependency relations that is the solution to the problem of development: notably, though, this is a very socialist perspective, since the release of such restrictions allows for much freer and potentially diverse global system, one which does not fit well with traditional capitalist characteristics.

The connection this has with modernisation theory is simple: both have equal merits, even though they are completely opposed in attributes, but the question of which is most suitable is dependent on the belief of the observer — those brought up and embroiled in a capitalist society, and who believe in the benefits of capitalism, may be more likely to prefer modernisation theory. On the other hand, a neo-Marxist will almost certainly stick with theories of dependency. Clearly it is only the completely impartial spectator that can truly judge the pros and cons of both concepts.

- vi) Finally, it has been pointed out that modernisation theory itself has produced nothing truly visible yet. This is not because there has been no development in the past 50 years. There has been evolution related to both fields of thought, but the theories themselves are so indistinct and vague. Modernisation theory does not paint a very precise picture of what should be happening, and more particularly, how it should be occurring. As a motivational aid, this theory is an excellent boost to the drive of a developing society, but it is not the solution. What is, remains to be seen.

Reflection and Action 2.4

Write a critique of modernisation based on your understanding of the dependency theory of development.

2.7 Development: Conditions and Barriers

Now that we have covered the concepts of social change, modernisation and the theories of modernisation, let us move on to the last sub topic of this unit, i.e., development.

There is no definite definition of development. It is inescapably a normative term, which at times has meant economic growth, structural economic change, autonomous industrialisation, capitalism or socialism, self-actualisation, and individual, national, regional and cultural self-reliance. Notwithstanding such variations there has been a large agreement on the fact that human beings are at the center of development and that economic growth is a means to an end, i.e., human development.

Development is a function of society's capacity to organise human energies and productive resources to respond to opportunities and challenges. Scholars often trace the emergence of higher, more complex, more productive levels of social organisation through the stages of nomadic hunting, rural agrarian, urban, commercial, industrial and post-industrial societies. And in the process try to examine ways by which new activities were introduced by pioneers, imitated, resisted, accepted, organised, institutionalised and assimilated into a culture. Organisational development takes place on a foundation of four levels of infrastructure — physical, social, mental and psychological. All these four types of resources contribute to development, of which only the most material are inherently limited in nature. The productivity of resources increases enormously

as the level of organisation and input of knowledge rises. The human resource is recognised as the driving force and primary determinant of development.

The evolution of social institutions acts as a powerful stimulus for development by increasing the frequency, intensity and efficiency of social interactions. This evolution has moved through three successive but overlapping stages of development – physical, vital, and mental – which can be described in terms of the type of organisation predominant during that stage.

Box 2.1: Role of Urbanisation, Money and Internet in Development

Cities till today are physical organisations where people, activities, fields of life, resources and infrastructure are accumulated at high levels of concentration and interact in complex ways. The growth of population and urban population density increases the intensity of these interactions, creating the critical mass needed for the emergence of markets and in the process generates sufficient demand to spur mechanisation of production.

Money plays a parallel role at the social level as a medium for urbanisation and multiplies economic activities by several orders of magnitude. The establishment of a money economy frees individuals from dependence on land as an essential resource for production and frees commerce from the double coincidence needed for barter trade. Money increases the frequency and speed of transactions in virtually every field of activity by making it possible for people to convert the fruits of their labour into a common currency that can be exchanged for any products or services. Money also provides incentives for people to produce more than they can consume, releasing greater energy and creativity. It serves as a medium for conservation and storage of what each person produces and permits easy transfer over any distance, thereby overcoming limitations imposed by time and space and dramatically increases the efficiency of transactions.

The internet plays a similar role at the mental level of information and knowledge and acts as a medium to organise globalisation. Today, the internet is increasing the frequency, speed and efficiency of information exchange in every field – commercial, industrial, educational, scientific, political, religious, recreational, etc. The Internet also overcomes the limits of time and space by enabling instantaneous access to information around the world. It increases enormously the number, intricacy and complexity of interactions made possible between individuals, organisations, facts, activities and fields of knowledge. It is acting as an organised medium for bringing all existing social organisations into greater contact to release the maximum energy of society and thus lead to unprecedented levels of social productivity and development.

i) Suggested Conditions For Development

Surplus energy, awareness of opportunities and the aspiration for advancement are pre-conditions that prepare society for new development initiatives. This is not a linear process. The three factors interact with one another in complex ways to generate a growing pressure and ground swell of new activities. Accomplishment at a previous level helps release energy and aspiration for further accomplishment. Energy makes for greater alertness and awareness. Awareness of what others are doing evokes greater aspirations and provokes energetic responses. The process spirals back on itself, constantly reinforcing the forward momentum, while at the same time each new level of achievement brings a certain measure of satisfaction and security that relieve the pressure for further effort. Alternations between rising urge and rising satisfaction are one reason for the modulating rhythm of progress and stagnation that is often observed.

When these three factors are present in requisite measure, the society is subconsciously prepared for change. Let us try to understand each of them.

a) **Energy**

Excess energy is an essential condition for development. The onset and speed of physical and biological reactions depends on seed crystals, catalysts, essential nutrients, the frequency and intensity of interaction between elements, and conducive environmental conditions. So also, the onset and speed of social development depends on the seeding of new ideas in society, awareness of new opportunities, social aspirations and attitudes to change, the catalytic role of individuals, the presence of essential resources and instruments, the frequency and intensity of social interactions, social preparedness and support for new activities.

Development is an expression of social creativity. It requires immense investment of creative energy for society to experiment with new modes of activity, take the risks associated with change, break the active resistance and passive inertia of fixed habits, raise standards of functioning to higher levels, acquire new skills and build higher order organisations. Moving from one level of social organisation to another requires the accumulation of surplus energy as in the conversion of matter from a liquid to a gaseous state. Development is the result of surplus energy moving vertically and being organised at a higher level, rather than merely being spent in horizontal expansion at the same level. The higher-level organisation is able to utilise the energy more productively.

Indomitable energy has been an outstanding trait of great political leaders such as Napoleon, Churchill and Gandhi and business leaders such as Andrew Carnegie, Henry Ford, and Tom Watson of IBM. Inventor Thomas Alva Edison was known to work for days on end without sleep in the process of developing 1,100 patentable inventions and founding the General Electric Company. Organisations that are growing rapidly share the same characteristic, which is apparent even to casual visitors to high tech companies in Silicon Valley. Energy is highly visible in progressive urban centers around the globe, from New York and London to Hong Kong and Tokyo. It is, therefore, not surprising that this characteristic is found abundant in societies that have achieved high levels of development or that it becomes increasingly pervasive as societies enter the take-off phase.

The importance of surplus energy is most dramatically illustrated by two conditions under which it is unable to accumulate or express itself – war and dictatorship. War destroys infrastructure and interferes with production and trade. It physically saps the energy and resources of a country. The threat of war keeps those energies perpetually directed towards self-defense, rather than self-development. Dictatorship, on the other hand, can spur development efforts up to a point, using the threat or pressure of coercion to channel initiative in desired directions. But dictatorship also blocks the free emergence of new ideas and fresh initiatives, which are the seeds of social innovation. It can ensure obedience to authority but does not spur entrepreneurship and innovation. The end of feudalism in Western Europe was an important contributor to the onset of the mercantile era and the founding of the great European commercial empires. The further transition from monarchy to democracy stabilised the internal order and provided the social foundations for the Industrial Revolution. It stimulated innovation by encouraging the free exchange of ideas and provided incentives for greater individual effort by legally safeguarding property from arbitrary confiscation.

b) **Awareness**

Surplus social energy collects as potential beneath the surface, accumulating until it acquires sufficient force to burst out in new activities. But the mobilisation of this energy for action depends on fulfillment of a second essential condition — awareness of new development opportunities and

challenges. Societies that are fully consumed by the struggle for survival have little time or inclination to direct their attention outward to observe what other societies are accomplishing or forward to envision new possibilities. When life reaches a certain level of stable comfort, societies become increasingly interested in and aware of what is going on in the world around them. This awareness may also be thrust on a society by the unwanted intrusion of an external influence. The influx of English manufactured goods into the pre-industrial economies of Europe and the arrival of a modern armed American fleet in Tokyo harbor in the 19th century both had the effect of awakening societies to the opportunities and challenges of development and stimulating them to respond.

The increasing pace of development is directly linked to an increase in the speed and reliability of information about what is taking place in other parts of the country, region and world due to improvements in communication and transportation. The proliferation of books and newspapers following the invention and diffusion of the printing press, and the growth of international shipping following the invention of navigation aids beginning in the 15th century, the growth of railways, telegraph, and telephones in the 19th century, and the impact of radio, film, television, computers and satellite technology in the 20th century have exponentially multiplied the dissemination of information and the general level of social awareness. Today more than 60,000 newspapers are published around the globe, including 8000 dailies, with a combined circulation of 500 million and an estimated readership of 1.5 billion people.

c) Aspiration

Society must also feel a strong aspiration or felt need for achievement at a higher level that will spur efforts to convert a perceived possibility into a material reality. Social development is an expression of social will seeking to elevate the performance of the collective. As society becomes more conscious of the external environment and its own internal potentials, its aspiration and will for progress increases. The greater the knowledge of its potentials, the greater the aspiration.

Failures to respond to opportunities arising out of a sense of social superiority or social inferiority are expressions of a common principle. People respond to the example of those with whom they identify socially. When there is awareness of a developmental achievement by one belonging to the same social and cultural context, it can evoke a powerful urge for accomplishment in society. When the achievement is by one who lies outside the context, it is often ignored. Thus, the adoption of new crops and cultivation practices by a wealthy farmer may not lead to similar behavior by smaller farmers in the same community. Age, social status, class, caste, wealth, occupation and other factors help define social identity. But this trend seems to drastically change in the contemporary period.

There was a time when different societies, classes and groups within societies differed widely in the extent to which they manifested an aspiration for development. This is no longer true. Over the past five decades, both awareness of the possibility and the release of the aspiration for development have been spreading rapidly from one country and level of society to another. Harlan Cleveland coined the phrase “revolution of rising expectations” to describe this phenomenon which he observed in Eastern Asia in the early 1950s. Since the end of colonialism and the diffusion of democracy this revolution has circled the globe and ignited a clamor for education, higher levels of consumption and opportunities for advancement among billions of people. The universal awakening of this urge for progress is another compelling reason why the speed of development is increasing so rapidly.

This principle has important implications for planned development efforts. It implies that efforts by government to initiate development will only be successful in areas where the necessary social urge and preparedness already exist. Many well-conceived development initiatives fail to catch on or go awry because the leaders try to accomplish what the population has not yet come to aspire for. In these instances, the planned initiative can only contribute to preparing the society for readiness at some future date, but will not generate immediate results.

ii) **Barriers to Development**

Consequently, there are certain barriers to development. Observation of social progress reveals three recurring types of obstacles to development – limited perception, outdated attitudes and anachronistic behaviors. Let us briefly look at each of them.

a) **Perceptual Walls and Apparent Dead Ends**

One of the most striking characteristics of development discernible in all periods, countries and fields of activity has been the inability of society to envision or foresee its own future destiny. This attribute is usually accompanied by the contrary tendency to perceive opportunities as insurmountable obstacles. Innumerable times in history, humanity has come face to face with what it believed was a dead end to progress, only to discover sooner or later a way around or through the dead end to open up a wider field of opportunities.

Today, powerful perceptual barriers exist with regard to employment, technology, trade, environment, corruption, inflation and population that represent very real barriers to development the world over. Malthus, the great demographer was not the only one to foresee imminent doom where in fact there was enormous opportunity. In 1950 Holland's population exceeded 5 million, reaching a density that many believed approached the ultimate limits that this tiny landmass could support. Today the Netherlands has 15 million people, almost three times the population density, yet it ranks among the most prosperous nations in the world and is a major food exporter. In the mid 1960s, India suffered from two successive years of drought and was on the verge of severe famine. An expert team sent to India by the Food and Agriculture Organisation of United Nations estimated that the country's food grain production would rise only by a maximum of 10% before 1970. Many of our Indian scientists shared this pessimistic view. Actually grain production rose 50 percent during this period and doubled within a decade to make our country self-sufficient in foodgrains. Had our leaders shared the view of the experts, the Green Revolution may never have been attempted!

Errors in assessment of future possibilities occur when we make projections of future performance on the basis of historical trends, even though changing circumstances have radically altered the environment. Looking forward, we often see apparently insurmountable obstacles to future progress. Looking backwards, we discover continuity and progress. History has shown time and again that there are no dead ends, only people who are unable to see the opportunities and solutions concealed behind the immediate obstacles.

b) **Outmoded Attitudes**

The most persistent obstacles to human development are not physical barriers, but out-dated attitudes. Fifteenth century China possessed a navy unparalleled in size, skills and technology, but their expeditions led only to dead ends. The purpose of these expeditions was to display the splendor and prowess of the Chinese emperors. They obstinately resisted foreign ways of life and discouraged trade. The Chinese developed a traditional immunity to world experience. A Great Wall of the mind separated China from the rest of the planet for centuries. Fully equipped with technology, intelligence and national resources to become

great discoverers, their attitude doomed them to become the discovered. But with the end of cold war and opening up of economies and rapid globalisation in the past two decades forced Chinese society to have more interaction with world community and also for outsiders to have more accessibility to Chinese society.

Another example would be the fact that the science of medicine developed very slowly in Europe due to the reluctance of physicians to share their successful remedies, until the establishment of the Royal Society of Physicians in the 18th century led to more open exchange of information, support for research and medical education.

One of the deepest and most widespread of human prejudices has been faith in the unaided, unmediated human senses. When the telescope was invented for seeing at a distance, prudent people were reluctant to allow the firsthand evidence of their sight to be overruled by some dubious novel device. The eminent geographer Cremonini refused to waste his time looking through Galileo's contraption just to see what "no one but Galileo had seen.... and besides, looking through those spectacles gives me a headache".

Distrust of the new was, for long, an obstacle to the development of science. Today outmoded attitudes bar social advancement in every field. The expansion of world trade after 1950 has been a tremendous force for stimulating job creation and raising living standards around the world. Yet, fear and resistance to expansion of trade persists among Americans and Canadians to the North American Free Trade Association, among Europeans to closer economic and monetary union, and among people in every country to freer international trade under the World Trade Organisation.

c) Anachronisms

Development is also retarded by a plethora of anachronisms which have no other reason than the momentum of past habits that refuse to die. High rates of childbirth have been traditionally practiced by the poor all over the world to compensate for high rates of infant mortality. Yet even after the introduction of modern medical technology in developing countries drastically reduced infant mortality rates in the 1950s, rates of child birth remained at high levels and have taken decades to decline to a degree commensurate with improved infant survival rates. Traditional behaviors have been slow to change until the population became more educated.

Gold was originally a popular form for saving personal wealth and a hedge against inflation in many countries prior to the establishment of reliable banking systems. The safety of banks and the higher returns available from other forms of investment have gradually diminished the importance of gold as a form of savings. But till today in many Asian countries, India being in the forefront, the traditional habit of saving and paying dowry in the form of gold jewellery has continued unabated, even after more secure and financially attractive forms of savings became widely available. In our country we possess nearly 30,000 metric tons of gold valued at \$300 billion, an amount roughly twice the value of the public deposits held by the Indian banks. Because the gold has to be imported, this form of savings removes liquidity from the national economy and prevents the reinvestment of personal savings in productive activities within the country. At a time when hundreds of billions of dollars are desperately needed for investment in roads, power plants and telecommunications infrastructure, an anachronistic habit forces the country to depend on foreign investors while we continue to sit on a huge hoard of untapped wealth.

We end with another example, UNDP has calculated that \$40 billion a year approximately would be sufficient to eradicate global poverty within ten years. Yet long after the end of the Cold War and at a time when there is not even

a serious potential enemy in sight, world military expenditure remains at \$850 billion a year. The war is over, but a costly, wasteful, unproductive anachronism persists.

References

Reflection and Action 2.5

Observe the overall economic condition of a particular community (caste, religious, tribal, etc.) living in your neighborhood. Now based on your observation write a note on the causes of their socio-economic well being or deprivation in the society.

2.8 Observations About Recent Development Experience

From the perspective of 10,000 years of history, human progress over the past 200 years has been extraordinary and the achievements of the past five decades are nothing short of miraculous. In two centuries social productivity has increased to the extent that the global community is now able to sustain a population 12 times as large as in 1800. From a rural-based, agrarian society in which less than three percent of the people lived in towns and cities, the human community has evolved into an urban-centered, industrial society in which the urban population now exceeds 40 per cent of the total. This change has brought with it and aggravated a host of problems – overcrowding, pollution, crime, etc.— but it has also brought political freedom, economic security, education and modern conveniences to billions of people.

What is more remarkable is that this social movement continues to expand and accelerate. The 1997, UNDP *Human Development Report* observes that over the past 50 years the world has made greater progress in eradicating poverty than during the previous 500. Around the globe, life expectancy is climbing, infant mortality is declining, epidemic diseases are receding, famine is becoming extinct and education is becoming more widespread. Since 1950, average per capita income has trebled, in spite of unprecedented population growth, and average real per capita consumption in developing countries has doubled. These achievements raise the possibility and the hope that unprecedented levels of prosperity could soon spread to all humanity.

These accomplishments still leave more than one billion people in poverty. But there is growing evidence to suggest that today's least developed countries could match and perhaps even exceed the achievements of the most advanced industrial nations within a much shorter time than it took for the original achievements. Beginning in 1780, it took the United Kingdom 58 years to double output per capita. The United States did it in 47 years, beginning in 1839. Japan accomplished the feat in only 24 years, beginning in the 1880s. But after the Second World War, Indonesia did it in 17 years, South Korea in 11, and China in 10. From 1960 to 1990 real per capita standards of living based on purchasing power parity multiplied twelve-fold in South Korea, seven-fold in Japan, more than six-fold in Egypt and Portugal, and well above five-fold in Indonesia and Thailand.

While the possibilities for increasing the velocity and expanding the scope of development to all countries are encouraging, it is by no means clear how quickly or to what extent they will be realised. Nor is there a consensus regarding the policies, strategies and actions most conducive for that realisation. Countries and regions are distinguished by vast differences in performance that are not easily explained or eliminated.

Among developing countries, between 1965 and 1990 per capita GDP rose by 5.5 per cent annually in high performing East Asian countries compared to less than 2 per cent in South Asia and about 0.25 per cent in Sub-Saharan Africa.

Similarly, if one looks at the experience in Eastern Europe since 1990, one will see that the transition strategies implemented by 25 East European countries were unable to prevent widespread economic decline and social distress. Production in all 25 countries fell significantly, from a minimum of 18 per cent in Poland to 45 per cent in Russia, 60 per cent in Ukraine and 75 per cent in Armenia. Even in East Germany, where the German government and industry have pumped in more than \$1.1 trillion since reunification, the expected results have not been achieved. Unemployment in East Germany has grown from very low levels to more than 25 per cent, while productivity remains at one-fifth, the level prevalent in the western part of the country.

So there are many questions regarding strategy and wide disparities in performance all over the world. The experience of the past two centuries has given rise to at least five major categories of development theory. Applying these theories to explain the development of 23 countries during the period 1850-1914, Morris and Adelman found that each major theory adequately explains the experience of a range of countries and periods, but none of the theories applies universally to the 19th century experience of all the countries. These findings suggest the need for a more comprehensive approach. Realisation of this need had prompted the then Secretary-General of the United Nations, Boutros Boutros-Ghali, to call for thoughtful reflection on development “as the most important intellectual challenge of the coming years”.

Reflection and Action 2.6

Look into the latest *Human Development Report* (UN) or *Human Development Report* of any of the states of India. Based on your reading develop a chart showing the changes that have taken place in various indicators of human development in our country or in a state in recent years.

2.9 Conclusion

Development today is not merely an economic phenomenon. It encompasses more than the financial side of people's lives. Development should be perceived as a multi-dimensional process involving the reorganisation and reorientation of the entire economic and social system. In addition to improvements in institutional, social and administrative structures as well as in popular attitudes and, in many cases, even customs and beliefs. To conclude, development must be conceived as a multi-dimensional process involving major changes in social structures, popular attitudes and national institutions, as well as the acceleration of economic growth, the reduction of inequality, and the eradication of absolute poverty.

Development is a process. This process has been taking place in societies since time immemorial, but it has acquired greater intensity and velocity during the past five hundred years and has accelerated rapidly over the past five decades. In the broadest terms applicable to all societies and historical periods, development can be defined as an upward directional movement of society from lesser to greater levels of energy, efficiency, quality, productivity, complexity, comprehension, creativity, mastery, enjoyment and accomplishment. To highlight all these issues, we have discussed in this unit the concepts and perspectives of change and modernisation, criticism of the perspective of modernisation, scope, conditions and barriers of development. We have also presented a few developmental experiences in this unit.

2.10 Further Reading

Desai, A.R. (ed.) 1971. *Essays on Modernisation of Underdeveloped Societies*. Vol 1. Thacker and Co. Ltd.: Mumbai

Dube, S.C. 1988. *Modernisation and Development*. Sage Publication: New Delhi

Unit 3

References

Social, Human and Gender Development

Contents

- 3.1 Introduction
- 3.2 Development as Realisation of Human Potential
- 3.3 Impact of Development on Women
- 3.4 Women as a Constituency in Development Policies
- 3.5 Identification of Gender Need, Role and Strategy
- 3.6 Perspectives on Women and Development
- 3.7 Conclusion
- 3.8 Further Reading

Learning Objectives

The central objective of this unit is to explain:

- development as a realisation of human potential;
- impact of women on development;
- gender need, gender role and strategy in development; and
- emerging perspective of development on women.

3.1 Introduction

In the earlier units of this course you have learnt several important concepts like change, evolution, progress, growth and development. In this unit we shall be focusing on the social, human and gender aspects of development. In the second half of the first unit of this course we have discussed at length the human aspect of development. In the second unit we have also discussed the various perspectives on change, modernisation, and development. As a continuity to earlier discussion this unit begins with a discussion of the objectives of the development. Here we discuss how the issues of justice, sustainability and inclusiveness, satisfaction of fundamental human needs, participation of the masses in the development processes, etc. have emerged to be integral parts of contemporary development discourse. Women have always been an important constituency of development. However impacts of development on women have not always been positive. Rather, many of the developmental practices have put women in a disadvantageous position in various ways. The impact of ongoing development processes on women, especially, intensification of gender inequality, increasing double burden, reinforcing of gender role stereotypes, feminisation of labour, increase in women's hardship and drudgery, etc. are outlined in this unit. In recent decades various perspectives on women's development have been thought of. In the last section of this unit we discuss some of these perspectives.

3.2 Development as Realisation of Human Potential

Development is seen by some as a desirable state of being and in this sense a developed society often connotes a modern industrial society that enjoys economic well being as it has reached certain levels of wealth and consumption. Others see development as a vision wherein the centre stage is occupied not by levels of production and consumption but by the satisfaction of human needs and potentials. Let us examine some of these visions of development.

a) **Development as an expression of human personality**

Dudley Seers (cf Thomas 2000: 33) while elaborating on the meaning of development, suggests that while there can be value judgments on what is development and what is not, it should be a universally acceptable aim of development to make for conditions that lead to a realisation of the potentials of human personality. Seers outlined several conditions that can make for achievement of this aim:

- The capacity to obtain physical necessities, particularly food;
- A job (not necessarily paid employment) but including studying, working on a family farm or keeping house;
- Equality, which should be considered an objective in its own right;
- Participation in government;
- Belonging to a nation that is truly independent, both economically and politically; and
- Adequate educational levels (especially literacy).

David Korten, a leading proponent of alternative development outlines three basic principles of what he calls authentic development. These are **justice**, **sustainability** and **inclusiveness**. He says development must ensure the following:

Justice: Priority must be given to assuring a decent human existence to all people.

Sustainability: Earth's resources must be used in ways that assure the well being of future generations.

Inclusiveness: Every person must have the opportunity to be a recognised and respected contributor to family, community and society.

(Korten, cf Thomas 2000: 33)

Manfred A. Max-Neef (1991), a Chilean economist and a recognised advocate of human rights and alternative development, disillusioned with the economic growth based developmental experience of Latin American countries, talks of a new praxis based on development focusing on the "satisfaction of fundamental human needs". He calls this **Human Scale Development**. The other salient features of this model of development are:

- Planning with autonomy;
- Growing levels of self reliance;
- Coherent and balanced interdependence of people, nature and technology;
- Balance between the personal and the social;
- Constructive interplay of civil society with the state; and
- Emergence of global processes alongside local activities.

b) **People's development**

The people are held to be the principal actors in human scale development. Respecting the diversity of the people as well as the autonomy of the spaces in which they must act converts the present day object person to a subject person in the human scale development. Development of the variety that we have experienced has largely been a top-down approach where there is little possibility of popular participation and decision making. Human scale development calls for a direct and participatory democracy where the state gives up its traditional paternalistic and welfarist role in favour of a facilitator in enacting and consolidating people's solutions flowing from below. "Empowerment" of people takes development much ahead of simply combating

or ameliorating poverty. In this sense development seeks to restore or enhance basic human capabilities and freedoms and enables people to be the agents of their own development.

c) **Participation of the masses**

In the process of capitalistic development and leading national economy towards integration into foreign markets, even politically democratic states are apt to effectively exclude the vast masses from political and economic decision making. The state itself evolves into a national oligarchy hedged with authoritarian and bureaucratic structures and mechanisms that inhibit social participation and popular action. The limited access of the majority to social benefits and the limited character of participation of the masses can often not be satisfactorily offset by the unsuccessful and weak redistributive policies of the government. Powerful economic interest groups set the national agenda of development, often unrepresentative of the heterogeneous and diverse nature of our civil society making for a consolidation and concentration of power and resources in the hands of a few. Also, a focus on people and the masses implies that there could be many different roads to development and self reliance. The slogans “human centered development”, “the development of people,” “integrated development”, all call for a more inclusive and sensitive approach to fundamental social, economic and political changes involved in development such that all aspects of life of a people, their collectivity, their own history and consciousness, and their relations with others make for a balanced advancement. The adoption of a basic needs approach with the concept of endogenous development make for a development agenda that is universally applicable while at the same time allowing for country specific particularities to be given due account.

d) **Nurturing diversity**

The challenge of human scale development is to nurture diversity instead of being threatened by it, to develop processes of political and economic decentralisation, to strengthen democratic, indigenous traditions and institutions and to encourage rather than repress emerging social movements which reflect the people’s need for autonomy and space. The fruits of economic development may be distributed more equitably if local spaces are protected, micro-organisations are facilitated and the diverse collective identities that make up the social body are recognised and represented. Greater control of popular masses over environment is a must. In fact this concept of development seeks for the civil society rather than the state to own up and nurture development, so that the role of social actors is enhanced.

e) **Development as an open process**

Human scale development has a vision of real development not as a stage or a state but as a process, a process that encompasses economic, social and technological changes by which human welfare is improved and embellished with its political, cultural and spiritual dimensions.

Above all, this conception frees development from any particular specifications and development becomes an open option justifiable only to the extent people need, understand, and able to integrate it. Development must become a process in constant motion for human beings themselves as well as their surroundings which are in permanent motion, a motion that defies static boundaries and frozen directions.

Social and Human Development, therefore necessarily requires a unified approach, integrating the economic and social components in plans, policies and programmes for people’s betterment. The challenge is to simultaneously integrate cross sectoral and regional developmental needs as well as to make for a participative development. The issues of environment, pollution, women,

habitat, hunger and employment have come to the fore one by one and continue to require public and institutional attention along with resource allocations. Two major contemporary concerns that require focus in any development initiative are that of human security and sustainability. We need to ensure that development does not mean social dislocation, violence and war and that we meet “the needs of the present generation without compromising the ability of future generations to meet their own needs.” Each of these problems is interrelated in complex ways and requires a unified approach. The purpose of development should be to develop man and not to end with developing things. Fulfillment of basic needs of mankind should be the true objective of development and achievements that either do not contribute to this goal or even disrupt this basic requirement must not be pursued as a development goal.

Reflection and Action 3.1

What do you mean by development? What, according to you, should be the ideal objectives of development and why?

3.3 Impact of Development on Women

Development is not gender neutral. While one argues for the equality and participation of all human beings, men and women, in the process of development, it is important that we are not indifferent to social implications of biology and the physical constraints it puts for women. Women and development is a theme that raises issues of equality and justice for women's experience of development as mediated by both their biology and the social construction of it.

a) Intensification of Gender Inequality

Gender inequality tends to lower productivity and efficiency of labour at all levels of the economy, not just the household, and intensifies unequal distribution of resources. Lack of security, opportunity and empowerment also imply the lowering of quality of life for both men and women. Even when women and girls may bear the direct costs of gender inequality it needs to be recognised that the ultimate costs of lack of development and poverty have to be borne by people across the society. Women's development is therefore simultaneously a gender and a developmental issue, and the developmental planners need to be cognizant of women's subordination for centuries that has controlled women's mobility, their labour, sexuality and fertility.

b) Mixed Gain for Women

As far as women are concerned, development has had mixed gains for them while it has widened women's opportunities and opened up the public sphere to those hitherto confined to the private sphere of family life by tradition and superstitious beliefs, yet evidence from large parts of the world also show that women still face disparity in opportunities and often development for women has meant the widening of the gap between the incomes of men and women and increased strain on their time and energies. Women are unfavourably represented in very large numbers in the unorganised sector where they work under oppressive and exploitative conditions but find themselves restricted due to their biological and social responsibilities as well as the low status they enjoy in society.

c) Intensification of Double Burden

In fact women lose twice as the development planners have been unable to recognise the dual roles of women whereby they bear children and at the same time carry out economic activities and have in their shortsighted definitions of women as mothers ignored and downgraded their economic functions so as to classify them as economically dependents. On the one hand,

the exclusive burden of childcare makes women's access to the market limited, and then the market itself excludes prestigious and well paying jobs from them, doubting their ability to hold such jobs and perform in equal capacity to men. Also, the prevalent definitions of work as work when performed for money and work as work in the modern sector have also contributed to making women's economic contributions invisible. These definitions for instance exclude women who work in the agricultural sector as members of a family living off farm land products, women engaged in exchange labour, household work, childcare and many such activities that are not paid.

d) **Reinforcing Gender Role Stereotypes**

Stereotypes of sex roles have resulted in a situation where even developmental interventions aimed at modernising farming systems have only exacerbated the problem by targeting only men for inputs such as training, loans and resources such as seeds, land and so on. In case of the green revolution wherein there is high capitalisation involved, better harvesting systems have meant focus on good variety of seeds and fertilizers and such mechanisation that means less of labourers required; thus unemployment. It is women who loose again their traditional economic employment in farms and any alternative employment planned is done only for men.

e) **Eroding Women's Role in Traditional Economy**

This has widened the gap between men and women, reducing the status of women. Subsistence economies with little specialisation have been more equalitarian and just to women with little differentiation between the status of men and women. Civilisation has created more functional specialisations to the benefit of men and increasingly led to women being reduced to a dependency status as they separated from their erstwhile food production functions. Women, as they lost these functions in civilised societies, increasingly became economic liabilities, and vulnerable to a host of patriarchal controls. Anthropological evidence shows that civilisation's influence on subsistence economies has meant decreased involvement of men in child rearing roles and in other household tasks. Development being largely defined in terms of economic activities has thus focused on men, ignoring women's traditional economic roles.

f) **Feminisation of Household**

Changing of customary communal land tenure system to the concept of private property ownership, and introduction of cash crops have been two important developments that eroded women's role in traditional economic systems while favouring men and their rights over land and crops. Also the lure of the modern monetary economy has meant large scale migration of men away from their households, such that women are left to perform additional tasks formerly done by men, reducing significantly women's leisure as well as productivity. Again, improved transportation and markets have had mixed benefits for women and men. While increased access to the markets may have a positive impact on rural earnings, it also impacts people in making several traditional occupations redundant. Local hand-made artifacts can seldom compete with cheaper machine made goods.

g) **Differential Access to Education**

Since the 1980s a phenomenon called feminisation of labour has been noted as a global development which refers to the process of decentralisation of labour with the intention of reducing wage and non-wage costs of production. Women are preferred as employees for they are available on cheap, flexible, non-permanent terms and can be disposed of whenever it is felt necessary to do so. No doubt more women get an opportunity to work. However that itself is no reason for any optimism for they do such works on increasingly less

favourable terms. Similarly Structural Adjustment Programmes and New Economic Policy are not seen in most feminist quarters as auguring well for women who are expected to be hit the worst by inflation and the winding up of the barest of welfare state measures we have. Increased poverty with a female face, abandonment of women and children as the poor grapple for survival, prostitution and violence are some of the alarming social consequences that are said to be on the flip side of the economic development that is planned through the processes of privatisation, liberalisation and globalisation.

Education is widely regarded as one of the most important developmental initiatives to reduce gender disparity and there are several researches which show positive links between girl's education and economic productivity, maternal and infant mortality, fertility rates and health prospects of future generations. If we look into education and modernisation and its effects on women, though we find that the elite nature of education in most of the erstwhile colonial nations has meant that education has not reached rural populations, particularly women. There is still a wide gap between male and female literacy figures in Africa, Asia and Latin America. Lack of education was itself not a big problem when women engaged in traditional pursuits, however, with development and accompanying changes wherein traditional occupations of women are being superseded, it becomes difficult for poorly educated women to move into the new sectors. In the markets women come to be in a disadvantaged position because of their lack of knowledge and training making for exploitative conditions of work and their inability to compete with more favourably disposed men. Lack of education severely limits ability to take credit, innovate and earn independent income through economic enterprise. In case of migration to cities, rural women often find themselves in less paying jobs as domestic servants, shop assistants and even prostitutes.

Education has all the same opened up a host of occupations for the middle and upper classes and women of these classes have found representation in services like teachers, nurses and doctors. New job opportunities in computers and information technology have bid many a middle class woman to substantially paying jobs. However, it must be remembered that by and large women's economic activities are permitted to them only in situations of family crisis, when women are required to earn an additional income without changing the distribution of work at home. In countries like India educated women often enter prestigious services due to several factors working in their favour of which a supportive family structure that takes pride in their education and employment and the availability of cheap labour for taking care of household jobs, are very important. At the same time women's work outside the confines of the house is not without its problems; divorce, separations and increase in the number of women-headed households may have a link with the increased hostility between men and women, for while women are required to work double shift, men continue to keep off the home sphere. A related issue of concern is the contemporary increase in violence and crime against women which plays its function in maintaining women's subordination by restricting them from free and full participation in development initiatives.

h) Environmental Degredation and Increasing Hardship for Women

Similarly, if we look at development and its impact on the environment, we find that the destruction of the previous balance of nature through unbridled pursuit of man's capitalist interests have affected women more severely than it has men, as they struggle and search for fuel, carry water over long distances and spend unduly long hours processing food. Women's overwhelming involvement in subsistence related activities has meant that environmental degradation translates into special hardships for them for the ready access to natural resources they enjoyed earlier is replaced by working harder to get access to them, often having to pay for what was otherwise communally owned.

i) New Technology and Increase in Women's Drudgery

References

The dominant discourse on development often draws women as victims of household drudgery. Technology in the form of household appliances and modern science is seen as the panacea for all trouble. However this technology is not really all that “emancipatory” for much of environmental pollution and degradation is linked to this technology. It needs to be noted that women are aware of the links between a balanced and non-degraded nature and human survival as it is women who have taken the leadership and sought solidarity across the world in their struggles against the capitalist plundering of nature and environment be it on the issue of building large dams, the saving of mangrove forests, the building of atomic power plants or mining chalk and other resources.

This is not to say that development is not for women, rather that development interventions, based on certain stereotypes of women have bypassed them, they have negatively affected their productivity, and many times even created obstacles in women's lives when they were actually intended to facilitate them. Development interventions have either prioritised the woman's motherhood role or her economic agency while neglecting the other half of her role, thus creating a situation wherein women in their pursuit of development goals do not find themselves anywhere getting to be equal to men. While they have lost the protections and advantages of a sexually segregated society, they have not been able to get the freedom and status that development promised through reinventing their economic lives.

Reflection and Action 3.2

Make an observation on the economic and social condition of female labourers working either in agriculture or in construction in your neighborhood. Based on your observation write a note on the change in the social and economic status of women labourers in your neighborhood.

3.4 Women as a Constituency in Development Policies

It was only in the 1970s that development policy oriented itself to women as a distinctive category rather than as a residual one. Development planners of the time were faced with the failure of the trickle-down theory, with problems of poverty and unemployment that seemed to have aggravated with economic growth and with the need to focus on basic needs and poverty alleviation in the second decade of development.

At around the same time the women's movement gave a strong voice to the idea that women's issues have development policy implications. Several studies highlighting women's productive activities, especially women's critical role in food production, women's preponderance among the poor of the world and researches linking women's fertility to their status in society came to the fore and substantiated the need to integrate women in developmental goals. Thus the UN Decade for Women was declared. This brought about a marked change in how development came to be directed at women. Before 1970, policy makers had focused on women in very gender-specific ways. While men were targeted for development as household heads and breadwinners, **women were seen primarily as mothers and dependents, hence were beneficiaries of welfare measures** rather than development itself. The welfare category has its obvious negative connotations for it is seen in most quarters as a residual category made of dependents who failed to be self reliant, hence must be helped. Since women were type cast in their sex roles without reference to the reality of developing and underdeveloped countries, the kind of initiatives directed for them were programmes on nutritional training, home economics, maternal and children's health care and family planning. This assumption of female domesticity came to be challenged by researches that pointed to

women's productive roles and involvement in basic needs of their families. Development initiatives thereafter translated these insights into income enhancing programmes for women as women came to be conceptualised as managers of low income households. For most purposes during this interim phase development initiatives for women retained their "welfarist" projection and avoided any redistributive outcomes. It was much later, in the 1980s when the world economy was undergoing deterioration that there came about a growing emphasis on women as economic agents in their own right. It came to be realised that women's productive capacities had been under-utilised and as economic restructuring came to be prescribed through processes of liberalisation and privatisation, it came to be hoped that free market enterprise would make for a more efficient usage of human resources, both male and female. During this time, women first came to be given focus as key agents of the development process and were encouraged to take up micro enterprises, small scale business ventures and parallel marketeering.

However this emphasis on women's economic agency has its serious pitfalls. The basic subordination of women and exclusive responsibilities of home and childcare continue and with structural adjustment programmes and the wrapping up of the state welfare measures, these responsibilities only increased, thus making unreasonable demands on women's time and energies. The free market itself is not all that free for women to enter the market with these disadvantages and end up getting more exploited. The efficiency approach of women's development again does not go very far in making change for better conditions in women's lives or for equality to men. The old fable of the fox and the stork that both needed food to be served differently to them to be able to eat is an appropriate analogy to explain differential needs of men and women.

Feminists have sought to influence developmental planners with the idea that for achieving developmental goals of freeing women from their subordination and achieving gender equality, recognition needs to be given to the gender division of labour in production and reproduction. This would lead to better appreciation of the differential needs of men and women. Equity and empowerment cannot be achieved in policy approaches that merely add women to existing developmental plans. Development policies must be based on a social relations framework that accounts for the differences in gender roles and needs. Additionally, development policy cannot justifiably premise itself on a universal category "woman" which does not exist. There are material differences in power, resources and interests of women across the world that effectively stand disguised and denied behind the concept of woman's development, a fact that came to be deeply resented by women's groups in Africa, Asia and Latin America. Development does not operationalise itself in terms of uniform benefits for all men and disadvantages for all women. Women are on structurally disadvantageous terms with men but then Third World men and women are structurally disadvantaged as compared to First World men and women. DAWN (Development Alternatives with Women for a New Era), a network of Third World activists proposed therefore that the strategies for a more equitable development need to be worked out from the vantage point of the most oppressed women who are disenfranchised by class, race and nationality. Only then can the complexities of subordination be fully taken care of in developmental agendas. Over the years, these insights have influenced development policies and achievement of equality, equity and empowerment became legitimate developmental goals of women across the world.

3.5 Identification of Gender Need, Role and Strategy

Two important conceptual rationales forwarded for recognizing women as a distinct constituency in development and gender relations as a necessary framework for planning and implementation of developmental policies need to be discussed in greater detail. These are:

- Gender roles and needs; and
- Control over resources and decision making within the households.

a) **Gendered Men and Women and the Household**

Women were presumed to be beneficiaries of development as part of families and households targeted for development. It was pointed out by feminist researchers that women and men have different roles in the household and in society making for differential access to resources and power within households. Therefore women's needs for development cannot realistically be merged into those of others in the household. The disaggregation of the household /family on the basis of gender was, therefore, the first principle proposed for planning for development that was responsive to the distinct realities of men and women.

Carolene Moser found that development fell far short of people's, especially, women's needs due to certain widespread stereotypes among development planners about the structure of low income households, division of labour inside them and the power and control of resources within the household. More specifically, she found three faulty assumptions that emanated from a western perspective and that distorted development initiatives as they had no roots in Third World contexts. These are:

- that the household consists of a nuclear family of husband, wife and two or three children.
- that the household functions as a socioeconomic unit within which there is equal control over resources and power of decision-making between all adult members in matters influencing the household's livelihood.
- that within the household there is clear division of labour based on gender. The man of the family, as the breadwinner is primarily involved in productive work outside the home, while the woman as the housewife and homemaker takes overall responsibility for the reproductive and domestic work involved in the organisation of the household (Moser 1993: 15-16).

Firstly, the nuclear family with its naturalised division of labour is an idealised concept that distorts reality. It has also been pointed out that the household as a residential unit is distinct from families, the latter being a social unit that is based on ties of marriage and kinship and that though often these correspond, yet an assumption of them being one and the same is bound to lead to misconceptions about the nature of developmental needs of the units targeted. Moreover not only do households show heterogeneity in their structure and composition, it is also a fact that women occupy different positions in these structures. To treat the family, therefore, as a static unit without the socio-economic context and the contemporary pressures that make for constant restructuring of such units is bound to be problematic.

For instance, although it is normally assumed that the head of the household is a man, the situation is quite different in actuality with women-headed households showing an increase with desertion, death, male migration, situations of war, insecurity and disaster. Female dependency is constructed on a false assumption that men are the breadwinners and financial supporters of dependent women. While this may be a feature of industrial societies in some cases, it is a restricted phenomenon and does not represent the low income households and their realities where women are very often the primary or the sole earners. In the Caribbean, large parts of Latin America, Central America and parts of Africa, female-headed households form a sizable proportion of the economically vulnerable, often falling below the poverty line. Where the mother is the only adult income earner and there are several dependent children, poverty manifests itself in children dropping out of education, working

and in making for an inter-generational transfer of poverty. Women balance multiple roles in the household and the assumption of their economic dependence on men can seriously impact policy against their interests. There have been many instances when false assumptions of women's role in the family resulted in their labour and participation in agriculture being discounted and they being excluded from developmental initiatives involving ownership of land, credit-extension and other services.

Similarly faulty assumptions about the household as a natural socio-economic unit presupposes first that a family provides equal control over familial resources to all its members and that adult house members share between them the power of household decision making. The importance of intra-household dynamics in inequitable distribution of resources and in unequal exchanges of labour and its fruits is ignored and questions of power and control left unaddressed. Arguments about the economic rationality of household behaviour contradict the complex array of relationships and interactions within the household and treat the household as an individual decision maker. However the treatment of household as the most relevant unit of utility maximisation removes the possibility of exploring and treating conditions of unequal exchanges and exploitation between family members. Empirical evidence exists that there are conflicts of interests between men and women as well as interdependence and that gender inequalities are often rationalised through bias in perception of individual contributions and interests of men and women. There are economic as well as cultural and ideological reasons that underlie such asymmetries in intra-household resource allocation.

However it is commonly supposed that altruism governs family relations and individual family members subordinate individualism in pursuit of the common goal of the welfare of the family. Marriages specially are assumed to be cushioned with love and sacrifice from conflicts that dog other social institutions. However, the belief that marriages and families mean a partnership between men and women that is shared on the basis of common objectives and where there is reciprocity in rights and obligations that make for a joint control and management of resources such that each has access to pooled resources according to his/her need, belies reality. First the household may not necessarily be a collectivity of reciprocal interests. Even though sharing may be the dominant principle of household distribution, it does not mean that everyone has an equal access to resources. Gender is an important element in defining people's access to resources especially scarce ones. For example women routinely get less to eat in poor households, and are socialised to bear hardships so that their men can get better care and resources. Maternal altruism is held to be a womanly virtue and in most homes it is the woman's obligation to routinely sacrifice food, leisure, health and entertainment so that men can have a bigger share of these. Likewise women often do not have direct access to household assets and property and have any control over these solely by virtue of being wives or mothers of male relatives. In contrast men have direct access to property and cultural sanctions for independent decision making.

Household distribution of labour and responsibilities also plays an important role in circumscribing equal opportunities of men and women in the market and this limitation on women's ability to expand income generating activities pushes them back into a dependency status, vulnerable to violence and intra-household inequality.

It has also been pointed out that management and distribution of resources within the household takes place differently with men and women at the helm of affairs and this is linked to gender based responsibilities of the two sexes. Studies across the world show that women's income is largely used to pay for day to day food, clothing and domestic goods and thus this household provisioning implies that a greater share of women's income covers subsistence

and nutrition needs of the family as compared to that of men. It needs to be underlined that the assumption of the male head as a benevolent caretaker cannot be stretched too far and that the head cannot by himself represent household needs, therefore his welfare too cannot be taken to be a representative of the welfare of all household members. While it is true that in most cases cultural rules, ideology and practices make the intra household distribution appear natural and legitimate, yet inequalities continue to exist because men and women share the bias in perception of their actual contribution to the household. Direct money earning by men is often perceived as a bigger contribution to the household entitling men to greater household resources than women whose time and energy spent on ensuring overall wellbeing of the family as well as in non-market activities that indirectly go to support the men's enterprises in the market are discounted. Correct assessment of individual interests and well being for planning development interventions therefore need to be based on a gendered understanding of the dynamics of intra household inequalities.

b) **Gender Roles and the Impact on Women's Development**

Women though often perceived as dependents or as homemakers, are engaged in three basic responsibilities that they shoulder and these have been referred to in developmental literature as their triple role. Firstly, women are engaged in reproductive work that involves both child bearing and rearing. Secondly, most low income households in the Third World have their women engaged in what is called productive work, or work that earns wages. In rural areas this could be agricultural work in urban areas women work in large numbers in the informal sector, in and around their homes. Thirdly as part of their reproductive responsibilities women also take up community managing work that facilitates collective consumption needs of the neighbourhood or the community. Despite these three roles women's work is generally made invisible for either their work is regarded as a natural extension of their biological role of giving birth to children or nurturing them or their work is considered secondary. Men in contrast are largely seen as productive workers even when they may be unemployed or earning erratically. As far as reproductive role is concerned men do not have a clearly defined reproductive role in most societies and when involved in the community, men do not largely engage in consumption related voluntary work, rather they take up the community leadership roles that get them either some payment or social prestige.

Feminists have identified this gender based division of labor as both the reason and expression of women's subordination. They have contested the dualistic division of work as productive and reproductive, which essentially implies that the productive elements of reproductive work are completely erased. It has been pointed out that women's reproductive work both "produces" labour force and maintains it, thereby making for the fundamental productive activity that is essential for all subsequent productive enterprises. Capitalistic development is itself held responsible for this historical and artificial division between men and women's roles that later got enforced by ideology. Several feminists have traced this "domestication of women" to the industrial revolution which created the modern cash economy that cut women off from their traditional subsistence activities and resulted in women's loss of autonomy as farmers, crafts workers or traders. The housewife role that came onto women as their primary responsibility however is neither valued nor paid and the use value of reproductive work is not given the recognition it deserves. Even as far as the realm of productive work goes, the ideology of housewifisation masks asymmetry in men and women's work and their exchange value. Not only do women get work at the lower end of the economy which are low skilled and low paid and not wanted by men, they are also vulnerable to exploitation and harassment and an overload of labour due to their multiple roles. Yet the unpaid work of women at homes and in the community and their

low paid work in what is recognised as the productive sphere have not created major conflicts in the rank and file of women because they themselves accept and conform to the gender ascribed roles and find little choice.

c) **Practical and Strategic Gender Needs**

Since in discussing development, the concept of human needs and their satisfaction has emerged as an important criterion for assessing whether or not interventions lead to development, it is important to look at the twin concepts of practical and strategic gender needs when discussing gender development. Women and men have different roles in societies and therefore distinct prioritised concerns. Maxine Moleneux had conceptualised this distinction which was later elaborated by Caroline Moser while advocating to the developmental planners to be more gender sensitive. According to Moleneux and Moser, there are **women's interests** and **gender interests**. The two are not the same. Women's interests refer to interests which women across the world share by virtue of being the biological sex female. Since in real life situations, women live in a society where their position is defined not merely by their sex but by other important factors like their class and ethnicity as well as gender, it would be wrong to present women's interests and needs as a homogenous category for women. Rather, while planning, development planners must take cognizance of the fact that woman's interests and needs vary according to their social positioning which itself is defined by the specific socio- economic context and also by factors such as class, ethnicity and religion. This makes for the importance of referring to the general interests that women share amongst themselves as gender interests and the terminology changes to needs in reference to planning for addressing them.

Planning for development and change itself focuses on multiple levels of goals as policy interventions can accomplish limited goals. So that there is less confusion in what is aimed and what is achieved; the distinction between strategic and practical needs is very useful.

Moser defines thus

Strategic gender needs are the needs women identify because of their subordinate position to men in their society. Strategic gender needs vary according to particular contexts. They relate to gender divisions of labour, power and control and may include such issues as legal rights, domestic violence, equal wages and women's control over their bodies. Meeting strategic gender needs helps women to achieve greater equality. It also changes existing roles and therefore challenges women's subordinate position.... Practical gender needs are the needs women identify in their socially accepted roles in society. Practical gender needs do not challenge the gender divisions of labour or women's subordinate position in society, although rising out of them. Practical gender needs are a response to immediate perceived necessity, identified within a specific context. They are practical in nature and often are concerned with inadequacies in living conditions such as water provision, health care, and employment (Moser 1993: 40).

It is evident that addressing strategic gender needs makes for a transformation in social relations such that women come to enjoy greater equality and power and that such a transformation is dependent on a consciousness of a different order and a commitment to struggle against the prevalent order. Practical gender needs, since they are addressed to make for better adaptation to women's concrete conditions in the domestic arena or in income generating activities or even in community based resources, do not result in such transformation though they generally provide relief to women in their gendered roles and responsibilities. The greater majority of developmental interventions, aim at attending to women's practical gender needs and do not contribute directly to challenging either the sexual division of labour, or social political

and economic organisation of society that subordinates women. However it would not be right to term strategic needs based development interventions to be feminist and the interventions directed at improving women's access to their practical needs as "less" feminist, for the two are linked and in effect often inseparable.

Reflection and Action 3.3

How do gender roles affect women's participation in the development process?
Answer this question with suitable illustrations.

3.6 Perspectives on Women and Development

There are several important perspectives on women's development. Let us examine a few of them here.

a) Structural Perspective

Structural perspectives on development are critical of the Women in Development (WID) approach of developmental policies for they start with the basic assumption of conflict in society that makes for competition for resources and power and that manifests itself in struggles of classes and groups, such that domination and oppression have a structural base. Change itself in existing systems is seen not in terms of accommodation and reforms but in radical and revolutionary transformations that result in a more fair redistribution of resources and power. Marxism forms an important wellspring for the critical conflict view. Marxism holds, like the WID approach, that development as economic modernisation or capitalist development has led to the marginalisation of women in the Third World. However, it goes further than the women in development approach in seeing sexual inequality at a deeper, structural and dialectical level and linking it to the uneven and unequal worldwide development of capitalism and to inequalities embedded in social classes. However there is criticism that Marxism fails to deliver what it promises for while it explains the capitalist development as a system of hierarchical structures of production that leads to the emergence of a small but powerful minority with resources and a much larger dispossessed majority that stands alienated from the means of production, it could by itself not explain women's subordination further to the subordination of men that is created by the capitalist mass production. Feminists have critiqued it also for reducing women's oppression to the abstract concept of a particular mode of production, thereby not paying any attention to the fact that men, and not just the abstract concept of capital, benefit from women's oppression. The agency and consciousness of human beings as social actors stands completely denied in this conceptualisation for the individual is defined purely in relation to class interests. Women's opposition to male domination and control is itself dismissed as false consciousness and the result of the divisive strategies of the ruling minority.

Not satisfied by these explanations some feminists reworked with the basic Marxist argument to explain female subordination as a part of new constraints that came about as a result of inequities generated by capital intensive development on a global scale. One stream of feminists hitched their arguments to the dependency theories, furthering the argument that the capitalist mode of production has polarising tendencies and creates a relationship of dependency between the peripheral nations of the Third World with the metropolitan centres of the First World such that women's development is adversely affected in the Third World peripheral countries even while women in the First World may come to enjoy opportunities hitherto inaccessible. These theorists draw on Rosa Luxemburg's thesis that precapitalist forms of production provide an essential subsidy to capital accumulation. Saffiotti (cf Kabeer 1995: 47) suggested that the family was an example of such a precapitalist form of production that

aided capital accumulation by drawing on the labour of women, their time and energies without adequate payment, because the family is organised in such a way that voluntaristic sentiments rather than contractual labour marks production relations. Capital accumulation could take place in the metropolitan centres at the cost of women in the Third World countries that had to grapple with increasing poverty and marginalisation, even while their unpaid labour or their “reserve” labour was called upon to benefit the capitalist system. A pervasive patriarchal sex role ideology was held to be the direct cause of women’s subordination for it rationalised women’s confinement to home on the basis of her biology and social role. Dependency feminists thus worked out connections between different forms of inequalities at the international, national and household levels. Yet, like the Marxist approach they held the view that men and women held common class interests and did not see the rationale for the material exploitation of women in their households by men. Sexual aggression and subordination by men was attributed to the frustration and helplessness of men involved in exploitative capitalist production, thus ignoring the relationship of men and women itself in terms of a set of production relations wherein production of people itself was undervalued in comparison to production of things with exchange value.

Maria Mies, a German feminist while drawing again on Luxemburg’s thesis, has disagreed with the prioritising of class as the primary contradiction and sees the first contradiction to be that of gender. The basic biological difference between men and women, according to Mies meant that women experienced their relationship with nature and their environment differently; they experienced their whole bodies as productive and in tune with nature unlike men who could produce with their hands and the tools that became an extension of these hands. According to Mies men’s relationship with nature was predatory from the beginning and in his lust for power, man established a similar relationship with women who seemed to be like nature.

She sees capitalism as a more recent manifestation of a male patriarchal order that came into force far back in the history of mankind when men realised that the destructive tools that they could make could be used to domesticate women and animals and thus make for appropriation of economic surplus. Since women came to be seen as providing the essential physical precondition for male production, men made women as their first colony. All subsequent development is likewise marked by the same predatory mode of production. Colonisation and “housewifisation” are two ways that women and the weak are reduced to, being nature and thence their control and exploitation becomes justified. Mies’ account deviates from traditional Marxist accounts in that it establishes the relationship between men and women as a relationship of power and instead of blaming capitalism for women’s oppression, blames patriarchy. She traces different forms of violence on women as a manifestation of patriarchy irrespective of its forms in different production systems and exploitation and oppression as the common denominator for both First World and Third World women. Men everywhere are held to be violent for they uphold the global patriarchal hierarchy, but since the white men currently control the technology of destruction, Mies holds them more culpable than men elsewhere.

Reflection and Action 3.4

What do you mean by housewifisation? In your opinion how can this process be broken?

b) Gender Relations Framework

Both the structural explanations outlined above make global generalisations about the effects on women of capitalism and its interplay with patriarchy. These have been critiqued by a group of women who promoted the gender

analytical approach to development for being too monolithic to be of much use in practice. At the same time the WID promotion of the category “woman” was also found wanting for the exclusive focus on women creates woman and man as isolable categories.

Those who promote the gender analytical approach adopt social relations of gender as their chief analytical category and extend the Marxist concept of social relations beyond the production of objects and commodities to areas of gender relations such as procreation, care of children, old and sick and to what all comes under the daily reproduction of labour. Instead of seeing power rooted in men and denied to women in all circumstances, this approach sees power in general inherent in gender relations. While it explains women’s subordination in gender relations in the household it does not limit itself to the household and analyses how asymmetrical gender relations springing from the household interact, relate and define relations in the broader economic arena. Gender relations, thus are not merely male-female relations, they refer to the “full ensemble of social relationships”, through which men become men and women become women. More than the sex, it is the socially differentiated arrangements and patterns of gender behaviour and relations that define the differential experience of the world by men and women. The gender relations framework thus frees woman and man from any biologicistic determinism, while at the same time not negating the fact of different sex bodies leading to different rules and practices coming into operation so as to define gender relations and make for gender inequality.

The framework goes further to emphasise that other social relations such as class, race, ethnicity, religion, etc. mediate to define and translate gender inequality, so that neither class, nor sex, nor any other attribute has prominence over other as a determining principle of individual identity, social position or power. By rethinking of men and women without a universal structure of patriarchy, the gender relations approach makes it possible for constructing gender subordination in different societies, communities, institutions and arenas of action in a historically specific manner thus making for a more realistic and pragmatic attempt at changing how men and women work, live and relate.

Ascription of gender roles is often done discreetly, it may be implicit rules and practices that promote one gender rather than the others and there are strong biologicistic ideologies supporting them. Many gender discriminatory practices like the sexual division of labour, construction of an elaborate and sacrificial motherhood or violent and aggressive manhood stand to be questioned more logically once it is realised that they are neither instinctual, nor dictated by biology, rather it is an elaborate social system of gender relations that defines them and that privileges one gender over the other in terms of resources and power.

Lastly, development planners must realise that gender is never absent, though family is a critical site for the beginning of its operations, it operates as a pervasive allocation principle determining the participation of men and women in all social institutions. It links production with reproduction, the domestic domain with the public domain and the micro-economic units with the larger economy.

A gender relations approach has the advantage of being an inductive mode of analysis and can thus explain empirically found contradictions of subordination and power and the multiplicity of outcomes of developmental interventions, sometimes “emancipatory”, sometimes making for more oppressive and subordinating conditions for women across the world.

c) Empowering Women for Development

Very closely connected with the issue of women’s development is the question of women’s empowerment. But what does empowerment mean and how can development bring it about? The term is contentious, yet it is important not to see it equivalent to greater participation of women in economic activities for economic activities do not always improve women’s conditions and often add extra work burden on her. The term empowerment has within it the highly contentious concept of power which is understood differently by different people. In an article, “*What is Empowerment*”, Jo Rowlands (1997) makes a distinction between “power over” and “power to”, the first implying that some people have power or control over others, hence an instrument of domination and the second as a generative power, a power to stimulate, to lead without a conflict of interests, a power that does not seek to dominate or subordinate, rather a power that can resist and challenge the coercive intentions of “power over”.

Empowerment generally is defined as bringing women from outside the decision making process into it such that they have access to political structures and decision-making, to markets and income and more generally to a state where they are able to maximise opportunities without constraints of the family, community or the state. A feminist definition of empowerment however is broader for it demands a consciousness of one’s own interests and how they relate to the interests of others so that decision-making is based on knowledge of self and others and an assessment of ability to exert influence. Empowerment in the feminist sense would imply a realisation of the “power over” as well as the “power to” resist, negotiate and change. The ability to act and exert influence thus requires the empowered to understand internalized oppression as well as the dynamics of oppression such that power is not given or received, rather it comes from within. Empowerment is thus a process; and development itself should not be confused as empowerment. In some of the policies of the State, as it has been pointed out, the goal of development should be women’s empowerment. This implies that women gain in self confidence and take charge of creating for themselves the conditions that will facilitate the maximisation of their human abilities and potentialities.

Reflection and Action 3.5

You must be reading several stories on women’s empowerment in newspaper, journals and magazines. Select any two of stories from them and analyse the processes involved in women’s empowerment in Indian society.

3.7 Conclusion

Gender issues and Gender analysis are today regarded as significant and of priority in development policy and planning. Since the 1970s a number of things have been accomplished as far as integrating gender in development is concerned. There has been a lot of thinking on cultural stereotypes and changing them, anti discriminatory legislation in all walks of life has been passed and state and national machineries for looking into women’s affairs have been successfully set up.

However there is serious rethinking by feminists on their goals and strategies for mainstreaming gender in the developmental process. First, feminist theory ever since it has taken the post-modern turn has itself found it increasingly difficult to have gender as a universal reference point for analysis as well as action. The deconstruction of gender and women while on the one hand, an acknowledgement of multiple and distinct social identities of women and their often contradictory political interests yet on the other, is vastly confusing. For if there are no shared gender interests of women across countries and the world, then it makes little sense of privileging gender in development planning

and interventions. Also, while a lot of feminist passion went in bringing the issue of gender on the centre stage in the developmental discourse, feminists have realised that developmental agencies, nations and their machineries have co-opted the feminist vocabulary without either incorporating the ideology or translating it into sufficient and necessary action to change the realities of women. Women have been offered tokenistic and marginalised positions with little or no access to power. The state even when it appears to be democratic, progressive and proactive, seemingly offering space to women for renegotiating rights and privileges, in actuality implements policies and programmes that have strong shades of capitalist and patriarchal control and women's concerns are at best incorporated in a superficial and fragmented manner. Policy documents which incorporate state's vision of equality and justice to women are prepared every now and then. However, these largely remain as pieces of paper and only contribute to increasing the volume of state rhetoric on women.

In this unit we have covered a vast area related to gender issues in development. As human being is at the center stage of all development the gender issue can no more be neglected if we are to make development sustainable. Here we discussed the impact of development on women, women as a constituency of development and various perspectives on women's development.

3.8 Further Reading

Kabeer, Naila 1995. *Reversed Realities: Gender Hierarchies in Development Thought*. Kali for Women: New Delhi

Krishnaraj, Maithreyi 1993. "New Economic Policy and Development of Women: Issues and Implications". In IAWS (eds.) *The New Economic Policy and Women: A Collection of Background Papers to Sixth National Conference*. IAWS: Mumbai

Schrijvers, Joke 1993. *The Violence of Development: A Choice for Intellectuals*. Kali for Women: New Delhi

Unit 4

Sustainable Development

Contents

- 4.1 Introduction
- 4.2 Sustainable Development: Historical Context
- 4.3 Sustainable Development: Genesis and Evolution
- 4.4 Concept of Sustainable Development as Defined in *Our Common Future* (1987)
- 4.5 Criticisms of the Concept of Sustainable Development
- 4.6 Globalisation and Future of Sustainable Development
- 4.7 Conclusion
- 4.8 Further Reading

Learning Objectives

This unit aims to discuss:

- historical context of the emergence of the concept of sustainable development;
- genesis, evolution and expansion of this concept;
- sustainable development as our common future;
- vagueness and political concept of sustainable development; and
- future of sustainable development in the context of globalisation.

4.1 Introduction

In this Block, after the studying units 1, 2 and 3, we have already learnt some of the important concepts related to the process of development. By now, we are familiar with concepts such as progress, change, modernisation, development, social development, human development and gender development. We have seen that the concept of development is constantly being critically reviewed, and as a result our conception of development has been undergoing changes.

In the last four decades, there is a growing awareness and activism relating to worsening environmental situation at the local, national and global levels. The emerging environmental concerns have once again led to the reconsideration of our conception, goals and strategies of development. As a result of this, our conception of development has experienced a paradigm-shift and this has its expression in the concept of sustainable development, which emerged in the 1980s and continues to dominate the development-discourse at various levels. This unit deals with this concept.

An attempt to trace the roots of the concept of sustainable development in the historical context, which gave rise to the development-environment debate, is made in the first section of this unit. The second section attempts to locate the genesis and traces the evolution of this concept through some of the prominent international events/documents. The third section is devoted to elaborating the concept of sustainable development in terms of its definition, meaning, requirements, policy objectives and strategic measures as conceived in the Brundtland Commission's report "*Our Common Future*" (1987). In the final sections, we will make an attempt to understand the criticisms of the concept of sustainable development as well as the future of sustainable development in this globalisation era.

4.2 Sustainable Development: Historical Context

The early roots of the concept of sustainable development can be traced back to the development-environment debate. The economic growth model of development, its adoption by most of the countries in the world and realisation of the consequences it produced in various forms of environmental degradation has provided the historical context for the rise of the development-environment debate.

The economic growth model of development is characterised by the use of modern technology, the factory system of production and rapid industrialisation and urbanisation. The Western countries initially followed this model of development and prescribed it for the less developed ones. The predominant underlying belief was that the underdeveloped countries would eventually catch up with the industrialised countries, provided they emulate the economic and social systems of the West. The less developed countries adopted the western model of development rather uncritically.

The consequences of adoption of the western model of development by the less developed countries were not all positive. Economic growth occurred, but it was accompanied by a widened gulf between the countries in the North and the South, and it also helped to promote economic disparities between the rich and the poor sections within particular societies. It was realised that “development” conceived simply as “economic growth” was an inadequate notion, and that economic growth does not necessarily lead to the development of the lower strata of society. This realisation caused a shift in development thinking and eventually led to the inclusion of some additional criteria of development such as distributive justice or equity, and improvement in the overall quality of life of the masses (Dhanagare 1996: 7-9).

Moreover, it is more important to note that the examination of the impact of the western model of development on the quality of the global environment has led to the critical reconsideration of this model of development. It is realised that the reckless pursuit of industrialisation and the use of resource exploitative modern technology for development have resulted in environmental deterioration to such an extent that the very existence of all the living species is endangered. There is a general agreement that the economic expansion, especially during the post-war period, has had alarming consequences for the global environment (Munshi 2000: 253). Industrialisation required a continuous supply of energy and materials from nature. It led to the constant accumulation of wastes that resulted from accelerated industrial production and increasing level of consumption. There was a gradual deterioration of nature. The “modern, industrial form of production induced increasingly severe degrees of social inequality and growing environmental instability and degradation... which, together, have more recently been conceptualised as the “crisis of modernity” (Eduardo and Woodgate 1997: 85). The environmental degradation that has occurred is marked by a large-scale extraction of finite natural resources. Loss of forests, extinction of animal and plant species, depletion of the ozone layer, air, water and soil pollution, loss of marine life and bio-diversity etc. have occurred at an alarming rate and have posed a serious threat to the very survival of life on this planet.

While examining the consequences of the Western model of development in the context of ecosystems and economies of developing nations, Sunita Narain (2002: 13) comments that, the “western economic and technological model is highly material and energy intensive, it metabolises huge quantities of natural resources and leaves a trail of toxins, with highly degraded and transformed ecosystems in its wake. It is this model that developing nations are also following for economic and social growth, leading to an extraordinary cocktail of poverty and inequality side by side with growing economies, pollution and

large-scale ecological destruction”. It is recognised that the “western development model in its most triumphant moments appears to be neither desirable nor universally applicable because it is simply not sustainable” (Bernhard 1997: 113). Thus, the two basic assumptions of the Western model of development, i.e. “first, development could be universalised in space and, second, that it would be durable in time” (Sachs 1997: 71), had lost their validity.

Due to the strategies adopted for economic growth, environmental degradation and exploitation of natural resources have become global phenomena. Eventually, the increasing awareness of environmental problems has led to the emergence of environmentalism. It is important to note that environmentalism has added an important dimension to the ongoing development discourse. In fact, it has caused a paradigm-shift in our vision of development. It has compelled the intellectuals concerned to think about what is being done to the eco-system of this planet in the name of development. The worsening environmental situation has led to the re-examination and re-consideration of the policies, strategies and programmes for development. As a result, the environment – development debate emerged and became intensified in due course of time.

Initially, Development and Environment were seen as distinct entities. There was a sharp division between those who supported development over environment and those who argued for environment over development (Baviskar 1997: 196). As another scholar observes, there emerged two different camps of protagonists who inhabited two different mental spaces and regarded themselves as opponents (Ibid: 71-72). This gave rise to the dichotomy of development versus environment.

However, eventually, there also emerged an increased awareness about the fact that human beings need both “development” and “environment”. As Balletmus has expressed, there was “a growing recognition that the overall goals of environment and development are not in conflict but are indeed the same, namely, the improvement of human quality of life or welfare of the present and future generations (cf Mohanty 1998:82)”. Such thinking led to the view that “development” versus “environment” is a false dichotomy. This view is well articulated in *World Development Report 1992 – Development and the Environment*. It is argued in this report that the, “economic development and sound environmental management are complementary aspects of the same agenda. Without adequate environmental protection, development will be undermined; without development, environmental protection will fail...income growth will provide the resources for improved environmental management” (World Bank 1992: 25). In fact, such a view underscored the need of reconciliation between “development” and “environment”. The concept of “sustainable development”, as defined in the report of the World Commission on Environment and Development (WCED), titled “*Our Common Future*” (1987), represents such an attempt to reconcile the goals of development as well as that of environmental protection. Before we study the definition and meaning of this concept, let us look at its genesis and evolution.

Reflection and Action 4.1

What do you mean by sustainable development ? How is it relevant in present day context?

4.3 Sustainable Development: Genesis and Evolution

According to Eduardo Sevilla-Guzman and Graham Woodgate (1997: 86-87), the concept of “sustainable development” was the result of a dynamic gestation. Hence, they have attempted to trace its genesis in “official international discourse”. They have reviewed various international events and publications

and schematically brought out their discovery/product and character (See Box 4.1). Adopting a similar approach, a brief review of the major international events/ documents and their contribution to the making of the concept of “sustainable development” is outlined here.

In 1972, the United Nations Conference on “Human Environment”, took place in Stockholm, Sweden. The Stockholm Conference was historical in the sense that environmental problems received a formal recognition for the first time at the global level. The modern industrial societies could realise that there is only “one world”. It was also recognised that environmental problems are global problems requiring international solutions, although the developed countries of the North and the developing countries of the South do not necessarily share the same environmental concerns.

A report titled *Limits to Growth* - the work of the Club of Rome (1972-74), has been credited as the first official study on global environmental deterioration. In this report, there is ecological analysis of industrialism. The report also focused on the predicted results of continuing levels of resource depletion, pollution and population growth. Due to this report, a sense of realisation grew that infinite growth was impossible with finite resources. Then, a diagnosis of the factors of global environmental deterioration brought out in a report titled *Global 2000* — commissioned by the U. S. President, Jimmy Carter and published in 1980 — underscored that northern lifestyles cannot be reproduced globally.

Then, in the year 1981, the concept of “sustainable development” appeared for the first time. It was enshrined in the title of a key document - *World Conservation Strategy: Living Resource Conservation for Sustainable Development*, published by the International Union for Conservation of Nature and Natural Resources (IUCN), the World Wildlife Fund (WWF) and UN Environment Programme (UNEP). According to the *Strategy's* definition, “for development to be sustainable it must take account of social and ecological factors, as well as economic ones; of the living and non-living resource base; and of the long term as well as the short term advantages and disadvantages of alternative actions” (Starke 1990: 8-9).

In 1983, the United Nations set up the World Commission on Environment and Development (WCED) headed by Gro Harlem Brundtland, Prime Minister of Norway, as an independent body. Its objective was to re-examine the critical environment and development problems on the planet and to formulate realistic proposals to solve them, and to ensure that human progress will be sustained through development without bankrupting the resources of the future generations. The WCED published its report titled “*Our Common Future*” in the year 1987. This report presented the first official definition of the concept of “sustainable development”. The contribution of “*Our Common Future*” (1987), is threefold: i) it offers the first official definition of sustainable development, ii) it suggests, for the first time, an international strategy for confronting the crisis of modernity, and iii) it brings about a paradigm change in conventional thinking regarding the notion of “development”.

Another document, “*Caring for the Earth: A Strategy for Sustainable Living*” (published by IUCN, UNEP and WWF, in 1991), has suggested a revised global strategy for the conservation of nature. More importantly, it was recognised by this work that global nature conservation requires the participation of local people.

In 1992, representatives of over 150 countries met in Rio de Janeiro, Brazil, for the United Nations Conference on Environment and Development (UNCED), popularly known as the “Earth Summit”. The Earth Summit established important linkages between environment and development and contributed to the further

Approaches to Sustainable Development

development of the concept of “sustainable development”. It produced the “*The Earth Charter*”- a code of conduct or plan of action for the 21st century i.e. Agenda 21, and Local Agenda 21 (LA21), an interpretation for local issues (which came later); the Climate Convention — a convention to control climate change due to atmospheric pollution, and the Bio-diversity Convention — a convention to promote the conservation of bio-diversity. The Rio Declaration also set out the framework of principles of conservation and use of forests and, established important steps that needed to ensure an environmentally stable and sustainable planet (*The Hindu Survey of the Environment* 2002: 5-6).

Correspondingly, at the international level, many nation-states have been trying to go ahead with the notion of “sustainable development”. They are striving to find out economic and political solutions for environmental problems. One also notices periodical attempts to take stock of the progress made by the nations in the direction of “sustainable development”. For instance, in 1997, “Rio+5” meet was held in New York in order to assess the progress towards “sustainable development”. Again, as a further step, the World Summit on Sustainable Development (WSSD) was held at Johannesburg, from 26th August to 4th September 2002. The Johannesburg Summit is recognised as “Rio+10”. The agenda for this international meet was much beyond the review of the progress made in the direction of sustainable development in the 10 years since Rio. The agenda included every possible issue related to environment and development: energy, water and sanitation, health, forests, consumption patterns, poverty, trade, globalisation etc. Thus, the scope of “sustainable development” was broadened.

Sustainable development was seen as comprising three components: economic development, social development and environmental protection (Reddy 2002: 10). The newspaper reports which appeared during the Summit period highlighted that, there were discussions and debates over many issues which include: call for reduction of poverty, saving the planet’s fast-dwindling resources from further plundering, criticism against the European and American pattern of agricultural subsidies and a need to eliminate the trade distorting subsidies, dispute on the definition of globalisation and demands by the Third World countries for more aid, finance and fairer trade.

Thus, various international events and publications have contributed to the making of the concept of “sustainable development”. Let us now understand the definition and meaning of the concept of “sustainable development” as formulated and elaborated in “*Our Common Future*” (1987).

Reflection and Action 4.2

Is sustainable development a social movement? What are the historical genesis of this movement?

4.4 Concept of Sustainable Development as Defined in *Our Common Future* (1987)

The definition of the term sustainable development, its meaning, requirements, policy objectives, and suitable strategy, as mentioned in the report *Our Common Future*, have been briefly dealt with below. (The text inserted within quotes is adapted from the chapter from the Commission’s report, *Our Common Future* (1987), reproduced under the title Towards Sustainable Development in *Science Age*, August 1987: 30-38).

a) Sustainable Development: Definition and Meaning of the Concept

The definition of the concept of Sustainable Development put forward in the report titled *Our Common Future* (1987) is:

“Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs”.

It contains within it two key concepts:

- the concept of “needs”, in particular the essential needs of the world’s poor, to which overriding priority should be given; and
- the idea of limitations imposed by the state of technology and social organisation on the environment’s ability to meet present and future needs” (cf *Science Age* 1987: 30).

In order to understand the meaning of the definition, let us understand the core issues addressed in the above definition. First is the issue of economic growth. The economic growth is not only considered essential for poverty reduction but also for meeting human needs and aspirations for better life. Second is the issue of limitations of the environment’s ability to meet the needs of the present and future generations. Due to the pressures generated by growing societal needs, societies are using modern technologies for extracting and utilising natural resources, which are limited. If we continue to exploit existing limited natural resources, future generations will not be able to meet their own needs. Thus, environment’s ability to meet present and future generations’ needs has certain limits. This realisation is clearly reflected in the definition. Thus, the concept of “sustainable development” is based on an integrated view of development and environment; it recommends pursuance of development strategies in order to maximise economic growth from a given ecological milieu on the one hand, and to minimise the risks and hazards to the environment on the other; for being able to meet the needs and aspirations of the present generation without compromising the ability to meet those of the future generations.

In short, the above definition of “sustainable development” implies that: (i) we should direct our efforts towards redressing the damage already done to the environment by earlier unsustainable patterns of economic growth and, (ii) we should follow such a pattern of development which avoids further damage to the planet’s ecosystem and ensures meeting of the needs of present as well as future human generations.

b) “Sustainable Development”: Requirements

While elaborating the concept, the report *Our Common Future* (1987) also brings out the requirements of “sustainable development”. For a better understanding of the concept, some of the important requirements of “sustainable development” can be highlighted:

Sustainable development requires meeting the basic needs of all and extending to all the opportunity to satisfy their aspirations for a better life..... the promotion of values that encourage consumption standards that are within the bounds of the ecologically possible and to which all can reasonably aspire.....that societies meet human needs both by increasing productive potential and by ensuring equitable opportunities for all..... demographic developments are in harmony with the changing productive potential of the ecosystem.....At a minimum, ...development must not endanger the natural systems that support life on Earth: the atmosphere, the waters, the soils, and the living beings.....the world must ensure equitable access to the constrained resource and reorient technological efforts to relieve the pressure.....that the rate of depletion of non-renewable resources should foreclose as few future options as possible.....the conservation of plant and animal species..... that the adverse impacts on the quality of air, water, and other natural elements are minimized so as to sustain the ecosystem’s overall integrity” (cf *Science Age* 1987: 30-31).

Approaches to Sustainable Development

It is also added that, in essence, sustainable development is a process of change in which the exploitation of resources, the direction of investments, the orientation of technological development, and institutional change are all in harmony and enhance both current and future potential to meet human needs and aspirations” (cf *Science Age* 1987: 31).

Box 4.1: Genesis of the Concept of Sustainable Development in Official International Discourse		
Event	Discovery/product	Character
The Stockholm Conference(1972)	Modern, industrial societies realize that there is only ‘one world’	A first official recognition of environmental deterioration
The work of the Club of Rome (1972-74): ‘Limits to Growth’	Realisation of the impossibility of infinite growth with finite resources	The first official studies of global environmental deterioration
‘Global 2000’ commissioned by President Carter, published in 1980, ignored by President Regan	Realisation that northern lifestyles cannot be reproduced globally	A first diagnosis of the causes of global environmental deterioration
‘World Conservation Strategy’ (WCS) published by IUCN/UNEP/WWF (1981)	Nature conservation can be achieved regardless of human welfare in the vicinity	First global strategy for nature conservation and introduction of concept of ‘sustainable development’
World Commission on Environment and Development publishes ‘Our Common Future’ (1987)	First official definition of the concept of ‘sustainable development’	The first suggestion of an international strategy for confronting the crisis of modernity
Second WCS, ‘Caring for the Earth: A strategy for sustainable living’, IUCN/ UNEP/WWF (1991)	Global nature conservation requires the participation of local people	Revised global strategy for nature conservation
United Nations Conference on Environment and Development: The Earth Summit (1992).	The Earth Charter (Agenda 21)	A code of human conduct for the twenty-first century
	The Climate Convention	A convention to control climate change due to atmospheric pollution
	The Biodiversity Convention	A convention to promote the conservation of biodiversity

c) Sustainable Development: Policy Objectives

The report, *Our Common Future* (1987) also recommends that in order to move on the path of sustainable development, all nations are required to bring about certain policy changes. It has been noted that the “critical objectives for environment and development policies that follow from the concept of sustainable development include: (i) reviving growth; (ii) changing the quality of growth; (iii) meeting essential needs for jobs, food, energy, water, and sanitation; (iv) ensuring a sustainable level of population; (v) conserving and enhancing the resource base; (vi) reorienting technology and managing the risk; and (vii) merging environment and economics in decision making” (Ibid: 32).

d) Sustainable Development: Suitable Strategy

Regarding suitable strategy, the report, *Our Common Future* (1987), notes in its broadest sense that the strategy for sustainable development aims to promote harmony among human beings and between humanity and nature. In the specific context of the development and environment the pursuit of

sustainable development requires: (i) a political system that secures effective citizen participation in decision making, (ii) an economic system that is able to generate surpluses and technical knowledge on a self-reliant and sustained basis, (iii) a social system that provides for solutions to the tensions arising from disharmonious development, (iv) a production system that respects the obligation to preserve the ecological base for development, (v) a technological system that can search continuously for new solutions, (vi) an international system that fosters sustainable patterns of trade and finance, and (vii) an administrative system that is flexible and has the capacity for self-correction. These requirements are more in the nature of goals that should underlie national and international action on development” (Ibid: 38). Let us now turn our attention towards critique of the concept of sustainable development.

Reflection and Action 4.3

Select a development project known to you. Explain the reason why this project is or is not sustainable.

4.5 Criticisms of the Concept of Sustainable Development

The concept of sustainable development, as defined by the Brundtland Commission, has been subjected to critical scrutiny by many scholars. The criticisms not only point out the logical contradictions and semantic ambivalence in the term, but also center on its vagueness/ambiguity of the terms/phrases included in the definition, point towards difficulties at the operational level and attempt to uncover implicit assumptions and political motives.

a) Sustainable Development: Logical Contradiction and Semantic Ambivalence

Scholars like Ramesh Deewan, take an extreme stand and express the view that the concept of sustainable development represents contradiction in the term itself. He remarks that, development and sustainability are not only incompatible with each other, they are contradictory as well. In other words, sustainable is not development (cf Dhanagare 1996: 10). Such a view clearly implies that, the term development used in any sense – say economic growth or growth with equity or improvement in quality of life or modernisation – inevitably leads to an increase in the level of consumption and also to the exploitation of natural resources.

According to Wolfgang Sachs, the linkage of the term sustainable to development has created a terrain of semantic ambivalence. In his words, within the new concept, the locus of sustainability has subtly shifted from nature to development; while sustainable previously referred to natural yields, it now refers to development. And the perceptual frame also changes, instead of nature, development becomes the object of concern and, instead of development, nature becomes the critical factor to be watched. In short, the meaning of sustainability slides from conservation of nature to conservation of development” (Sachs 1997: 73).

b) Definition of Sustainable Development: Vague and Ambiguous

In the opinion of Sukhamoy Chakravorty, the phrase sustainable development ...says nothing precise and, therefore, means anything to anybody (cf Agarwal 1992: 51). Anil Agarwal adds: for a logging company it can mean sustained projects; for an environmental economist it can mean sustained stocks of natural forests; for a social ecologist it can mean sustained use of forest; and, for an environmentalist it can mean a clean heritage for our children. But surely confusion cannot be more productive than clarity” (Ibid: 52).

The observations of William F. Fisher show persons with different view points, holding different philosophical positions, having different goals in mind and

advocating different means to achieve desired ends use the same moral vocabulary of social justice and the same economic rhetoric of sustainable development. In his view, sustainable development has become a term that is used to justify whatever one does and, by implication, criticize those with differing goals, strategies, and opinions (1997: 9). Widely debated Sardar Sarovar Project in India is the case in point. Fisher writes, dam proponents and opponents seem sincere in their commitment to goals of sustainable development and social justice, but what they mean by these terms differs (ibid: 8). (For further illustration of this point see Box 4.2).

Box 4.2: Is Sardar Sarovar Project an Example of Sustainable Development?

William F. Fisher’s observations are quite illustrative in this context. He writes, “The proponents of the Sardar Sarovar Dam insist that sustainable development is compatible with large scale, ambitious, centrally controlled schemes, which are capable of mitigating the effects of natural catastrophes and meeting the increasing needs of a growing economy for food water and energy. From their perspective, the Narmada runoff is a perennially renewed resource that currently goes to waste. Dam advocates argue that domesticating this untapped resource would enable Gujarat to “sustain” its economic growth and the standard of living of its population. Project planners and supporters argue that the readily apparent and increasing needs for water in drought-prone areas, for both agricultural growth and a growing economy, justify the projected means and the costs of damming the Narmada and relocating those currently residing in the submergence area of the reservoir.”

On the other hand, “critics of the Sardar Sarovar Project question the portrayal of Sardar Sarovar as an example of sustainable development and see it instead as another project that will overexploit the available resources to the detriment of the poor and the benefit of the rich. They argue that by any measure the project is unsustainable and unjust. They note that the size and comprehensiveness of schemes like Sardar Sarovar require that these schemes be initiated, financed and managed by the state as the guardian of the interests of the people. For these critics, sustainable development is not top-down but bottom-up. It requires that development efforts be decentralised and requires the involvement of local people at all levels of the design, appraisal, and implementation of projects. for them sustainable development should be as concerned with justice and equity as it is with an ecologically sustainable use of resources. From the perspective advocated by these critics, large scale, centrally controlled schemes are incompatible with sustainable development...”

(Source: Fisher 1997)

Not only does the term sustainable development mean different things to different persons or groups; its meaning also differs for one set of nations from that of the other. As Sevilla-Guzman Edurado and Graham Woodgate (1997: 86) have brought out, the official discourse as represented in the Brundtland Committee report, *Our Common Future...* seems to differentiate between the meaning of sustainable development as it applies to industrial nations and its implications for countries whose economies are relatively less industrialised. For the latter, ...first, it means the realisation of the potential for economic growth .. second, it promotes generalised increases in levels of consumption.....For highly industrialised nations, ...sustainable development allows for the continued realisation of a nation’s growth potential, so long as it is not achieved at the expense of others. Such growth will continue to be industrial in nature as, according to the World Commission on Environment and Development (1987), industrial production is of “fundamental importance to the economies of the modern societies and an indispensable motor of growth”.

C. R. Reddy also views the Commission’s definition as “simple but vague” (2002: 10). In the words of Wolfgang Sachs (1997: 74-75),

upon closer inspection, one notes that the definition given by the Brundtland Commission does not refer to 'the greatest number', but focuses instead on the 'needs of the present' and those of the 'future generations'. While the crisis of the nature has been constitutive of the concept of 'sustainable development', the crisis of justice finds only a faint echo in the notions of 'development' and 'needs'. In the definition, the attention to the dimension of time is not counterbalanced by an equal attention to the dimension of space. It is therefore no exaggeration to say that the canonical definition has resolved the dilemma of nature versus justice in favour of nature. But two crucial questions remain unanswered: 'What needs?' and 'Whose needs?' Is sustainable development supposed to meet the needs for water, land and economic security or the needs for air travel and bank deposits? Is it concerned with survival needs or with luxury needs? Are the needs in question are those of the global consumer class or those of the enormous numbers of have-nots? That the Brundtland report remained ambiguous throughout, largely side-stepping the crisis of justice, has not been without consequences in the years that have followed.

V. Ratna Reddy (1995: A-23), referring to the concern for meeting the needs of future generations expressed in the Commission's definition says, " at the conceptual level it is difficult to circumvent the conflicts between the present and future generations' interests. While needs are conceived differently from one environment and culture to another in the same generation, how future generations will conceive of their needs may well be beyond our imagination..."

c) Critique Relating to the Operational Substance of the Definition

While raising doubts regarding the operational substance of the definition, Anil Agarwal (1992: 50-51), asks,

who is going to ensure the rights of future generations when, given the highly divided world we live in, a large proportion of even the present generation cannot meet all its needs. Given such a social and political context, the.....definitions also fail to say whose future generations' needs are being sought to be protected and preserved. Are we talking only of the future generations of the rich or also of the poor?.

Again, C. R. (2002: 10) Reddy comments that, "while an entire U.N. machinery has been created around 'sustainable development', the world is still waiting for an operational meaning of what is an intuitively appealing but yet fuzzy concept".

In a similar vain, William F. Fisher (1997: 8) observes that, "while widespread commitment to the term 'sustainable development' might suggest a growing worldwide consensus on the need for development that is sustainable, there is no agreement about the specific goals of sustainable development or the appropriate means to achieve them.' About the Brundtland Commission's definition of the term, he further observes that,

it defines an arena of intense debate, not an arena of consensus.... Used in so many varying ways, 'sustainable development' has broad appeal, but can not help direct a set of actions toward specific goals, nor can it offer any guidelines about how trade-offs are to be balanced among these goals. Instead, the term obscures, rather than clarifies, the central issue of balancing the need for income redistribution and economic growth with resource limits and population growth" (Ibid).

d) Critique Relating to "Politics of Sustainable Development"

K. R. Nayar (1994: 1327) looks at the concept of "sustainable development" as a political instrument and is critical of many aspects of the Commission's definition. He argues that, "the concept of sustainable development has emerged from those countries which themselves practice unsustainable resource

use” (Ibid: 1327), and further adds that “the politics of ‘sustainable development’ is that at present it is anti-south, anti-poor, and thereby anti-ecological” (Ibid: 1328-29).

Nayar also comments that, “the need” with reference to sustainable development is affluence rather than basic, or opulence rather than squalor. Because, when basic needs become an integral component of a developmental model, the question of unsustainability does not arise”. He further adds, “the cyclical relationship between poverty and environmental degradation is conceptualised in simplistic terms”. The assumption is that,

as poverty increases, natural environments are degraded and when environments degrade, the prospects for further livelihood decrease, environmental degradation generates more poverty, thus accelerating the cycle. While the basic factors which generate poverty are kept outside this framework, it also does not consider the role of lopsided development which degrades the ‘natural’ capital, and the issue of artificially inflated impact of the poor on an already lower quality of ‘natural capital’ set in motion by factors other than poverty” (Ibid: 1327-28).

While uncovering the implicit political motive behind the Western concern for curtailment of population growth in the developing countries for sustainable development, Nayar expresses the view that, “sustainable development is visualised as a solution to make available raw materials on a continuous basis so that the production system, the expanding market and the political system are not threatened. The raw materials in the developing countries, therefore, need to be protected and their population growth curtailed so that resources would remain easily available.” Again, in his opinion, “The Not-in-My-Back-Yard or Nimby syndrome is mainly responsible for ecologically unsustainable development projects including hazardous industries shifting out of these countries to developing countries. When the aim is to suggest patchwork solutions to the unsustainable production system of the north, population growth in the south automatically becomes the target of the debate on sustainable development” (Ibid: 1328).

Reflection and Action 4.3

What are the major vaguenesses inbuilt in the concept of sustainable development. In your opinion how can these vaguenesses be removed?

4.6 Globalisation and Future of Sustainable Development

Globalisation has created new challenges in the march towards what is implied in the notion of sustainable development. Martin Khor comments that, “the process of Globalisation linked to liberalisation has gained so much force that it has undermined, and is undermining, the sustainable development agenda. Commerce and the perceived need to remain competitive in a global market, and to pamper and cater to the demands of companies and the rich have become the top priority of governments in the North and some in the South. The environment, welfare of the poor, global partnership have all been dislodged and sacrificed in this wave of free market mania” (Khor 2000: 39). The process of globalisation is seen as an important reason for the failure of the Johannesburg Summit. In its editorial, *The Hindu* remarks that “an important reason for the Johannesburg fiasco is that the global willingness to collectively deal with the problems of the environment gradually evaporated during the past decade of accelerated globalisation” (*The Hindu* 2002: 10).

The above remarks help us to critically look at the concept of sustainable development and to understand the complexities and intricacies involved in establishing liaison between the crisis of nature and crisis of justice. Given

the context of differential level of socio-economic development, cultural specificities, political positions of various nation-states in the North and the South, and challenges created by the forces of globalisation, the above criticisms also underline the practical difficulties in operationalising the concept in space and time. Yet, the concept of “sustainable development” can be seen to dominate the development-discourse and continues to enlarge a debate across the national frontiers.

4.7 Conclusion

In this unit we have tried to critically understand the concept of “sustainable development”. In the first section, we have noted that, the alarming degradation of the environment — spawned by the western economic growth model of development characterised by the use of modern technology, rapid industrialisation and urbanisation — provided the historical context that gave rise to the dichotomy of “development” versus “environment”. Eventually, the growing realisation that human beings need both “development” and “environment” resulted in reconciliation between “development” and “environment”, which finds its expression in the concept of “sustainable development”.

In the second section, we have traced the genesis and evolution of the concept, through a brief review of some of the prominent international events and documents — such as the Stockholm Conference (1972), *Limits to Growth* — the work of the Club of Rome (1972- 74), *Global 2000* (1980) *World Conservation Strategy: Living Resource Conservation for Sustainable Development* (1981), the report of the WCED *Our Common Future* (1987), “Rio+5” held in New York (1997) and WSSD held at Johannesburg (2002) — and brought out their contribution to the making of the concept of “sustainable development”.

The third section was devoted to elaborate the concept of sustainable development in terms of its definition, meaning, requirements, policy objectives and strategic measures as conceived, defined and elaborated in the report *Our Common Future* (1987).

In the fourth section, we have noted that the concept of “sustainable development” has been criticised on various grounds such as: “logical contradictions” involved in the phrase and “semantic ambivalence”, its “vagueness and ambiguity”, doubts expressed with regard to its “operational substance” and “political motives”. The process of globalisation linked to liberalisation is viewed as detrimental to the realisation of sustainable development agenda in future.

4.8 Further Reading

Agarwal, Anil 1992. “What is Sustainable Development,” *Down to Earth*, June 15th: 50-51

Fisher W.F. 1997. “Development and Resistance in the Narmada Valley”. In Fisher W.F.(ed) *Toward Stainable Development – Struggling over India’s Narmada River*. Rawat Publications: New Delhi

Salunkhe, S.A. 2003. “The Concept of Sustainable Development: Root, Connotations and Critical Evaluation”, *Social Change* Vol. 33, No. 1, pp. 67-80

Modernisation

Contents

- 5.1 Introduction
- 5.2 Understanding Modernisation
- 5.3 Giddens's Theory of Modernity
- 5.4 Decline of the Paradigm
- 5.5 Postmodernism
- 5.6 The Debate
- 5.7 Modernisation and Globalisation
- 5.8 Conclusion
- 5.9 Further Reading

Learning Objectives

After going through this unit, you will be able to:

- understand the concept of modernisation;
- critically discuss the contemporary theories of modernity; and
- explain how modernity is cross-linked with development.

5.1 Introduction

Through the four units of Block 1 we have already acquired a basic understanding of the concept and process of development and other related concepts. We also understood that there are varied perceptions about the concepts and process of development and that these perceptions are not static but keep on changing. Although we did refer to some of these perceptives in Block 1, in the present Block (Block II), we will be dealing with them in greater detail. Let us start with modernisation.

The concept of modernisation emerged as the response of the western social science to the many challenges faced by the Third World. With the process of political decolonisation following the Second World War, the new nations were in a hurry to launch massive programmes of economic development and technical change. The need for developing new paradigms to shape and order their development programme was strongly felt. Modernisation was one such formulation which held out considerable promise.

In this unit, we explore the concept of development in the context of modernisation. At the outset we discuss the notion of modernisation as a paradigm in sociological literature, particularly in the writings of Giddens. The purpose here is to develop an understanding of modernisation theory and then go on to its criticism and emergence of postmodernism as a paradigm. In the course of tracing this trajectory we explore the many dimensions of development that acquire importance at different stages.

5.2 Understanding Modernisation

Modernity may be understood as the common behavioral system that is historically associated with the urban, industrial, and literate and participant societies of Western Europe and North America. It is characterised by a rational and scientific world-view, growth and the ever increasing application of science and technology, which is coupled with the continuous adaptation of the institutions of society to the imperatives of the world-view and the emerging technological ethos.

Box 5.1: Concept of Modernity

Modernity involves the rise of modern society (secularised societies with an institutional separation of the state from civil society, a much greater degree of social and technical division of labour, and the formation of nation-states uniting cultural and political borders), a rationalistic epistemology, and an individualistic and objectivistic ontology” (Torfing 1999: 303).

A series of societal changes are implicit in the process of modernisation. Agrarian societies are characterised by the predominance of ascriptive, particularistic and diffused patterns; they have stable local groups and limited spatial mobility. Occupational differentiation is relatively simple and stable; and the stratification system is deferential and has a diffused impact. The modern industrial society is characterised by the predominance of universalistic, specific and achievement norms; a high degree of mobility; a developed occupational system relatively insulated from other social structures; a class system often based on achievement; and the presence of functionally specific, non-ascriptive structures and associations. Historically evolved institutions continuously adapt themselves to the changes dictated by the phenomenal increase in the human knowledge that has resulted from the control humanity has over its environment. Modernisation theory does not clearly spell out its distributive objectives. The emergence of an implicit egalitarian and participative ethos does, however, indicate the narrowing of social gaps and promotion of greater equality as desirable ends.

Modernisation, as a form of cultural response, involves attributes which are basically universalistic and evolutionary; they are pan-humanistic, trans-ethnic and non-ideological (Singh 1961). The essential attribute of modernisation is rationality. Rationality transforms thought processes at the level of the individual and in the process permeates the entire institutional framework of society. Events and situations are understood in terms of cause and effects. Strategies of action are determined by careful means-ends calculations. Rationality begins to characterise all forms of human interaction and enters into people’s vision of a new future as well as into their strivings for the attainment of the objectives they set for themselves. The concomitant structural changes and value shifts bring about fundamental changes in the entire cultural ethos.

Box 5.2: Meaning of Rationality

The term rationality denotes thought and action which are conscious in accord with the rules of logic and empirical knowledge, where objectives are coherent, mutually consistent and achieved by the most appropriate means.

The conviction that rationality, or reason, is the distinctive characteristic of human beings has made it a central theme in western philosophy for over two thousand years. In so far as this has led to an over-estimation of the place and power of reason in human society, it has been criticised as the doctrine of rationalism.

Max Weber, especially in *Wirtschaft und Gesellschaft*, 1921, has been responsible for the most extensive use of the term in sociology. He classifies all action into four types : purposively rational, (‘Zweckrational’) action, where means are correctly chosen to obtain ends; value rational (‘Wertrational’) where action is in accord with conscious value standards; affectual; and traditional; the last two types being regarded as deviations from rational action” (Albrow 1968: 154).

In his essay *The Change to Change: Modernisation, Development, and Politics* Huntington (1976: 30-31), has identified the following characteristics of the modernisation process.

- i) Modernisation, and by implication development, is a revolutionary process. Efforts are made to transform rural agrarian cultures into urban industrial

cultures. This is what Alvin Toffler (1980) would describe as the move from the first wave to the second wave.

- ii) The process of both modernisation and development are complex and multidimensional with a series of cognitive, behavioral and institutional modifications and restructuring.
- iii) Both are systemic processes since variation in one dimension produces important co-variations in other dimensions.
- iv) They are global processes.
- v) They are lengthy processes.
- vi) Movement towards the goals of modernisation and development takes place through identifiable phases and sub-phases.
- vii) They are homogenising processes.
- viii) Except temporary breakdowns, both are irreversible processes.
- ix) They are progressive processes. In the long run they contribute to human well-being, both culturally and materially.

Reflection and Action 5.1

What do you understand by modernisation?

Modernisation theory evolved from two ideas about social change: the conception of traditional vs. modern societies, and positivism that viewed development as societal evolution in progressive stages of growth (Deutsch 1961; Rostow 1960). Concern with development emerged in the 1940s as a fallout of the process of decolonisation and reconstruction after the Second World War against the backdrop of the Cold War. Developing countries could evolve the traditional society by rationalising them through a linear process in the course of which they could “evolve” into becoming a country in a modern and developed society. The evolutionary theory of development identified the different stages, variables and processes through which a society develops. Positivist evolution implied that all societies would pass through the same set of stages from traditional to modern society that the western society had passed. These stages were: (i) the traditional society; (ii) preconditions for take-off; (iii) take-off; (iv) the drive to maturity; and (v) the age of high mass consumption. The progression of society through these stages of modernisation is better known as Rostow’s stage theory (for more details refer unit 2 of this course).

Modernisation theory took development into a more inter-disciplinary realm. It advocated social and institutional change to facilitate economic transformation. It was through theorisation on modernity that sociologists made their first foray into development studies.

Discussion on modernity in the present day centers on “multiple modernities.” The notion of multiple modernity expounded by Eisenstadt explains that modernity in the West has brought up consequences that have a wide bearing across the world. These consequences, however, have not resulted from the global transplanting of the western mode of modernity, but are modern situations of various types and characteristics in various non — western countries. Eisinstadt, (1996: 1-2) one of the major advocates of this idea, said, “The actual developments in modernising societies have refuted the homogenising and hegemonic assumptions of this western programme of modernity. While a general trend towards structural differentiation developed across a wide range of institutions in most of these societies in family life, economic and political structures, urbanisation, modern education, mass communication and individualistic orientation — the ways in which these arenas were defined and organised varied greatly, in different periods of their

development, giving rise to multiple institutional and ideological patterns”. He thought that the best way of explaining modern society and the history of modernity is to regard it as “a story of continual constitution and reconstitution of a multiplicity of cultural programs”.

Through the notion of multiple modernities Eisenstadt, however, does not mean only to propose a new description or narrative of the history of modernity. He argues that modernity and westernisation are not identical. His notion of multiple modernity is not only descriptive but also normative, though in a negative sense. Diffused benefits which leave a large section of humankind untouched, homogenisation in the face of rising ethnicity and pluralities of culture consciousness, the social cost and cultural erosion implicit in the process pose serious concerns.

Following Parsons’s well-known “pattern variables”, modernisation assumes that status is determined by achievement rather than ascriptive criteria; patterns of interaction are governed by universalistic rather than particularistic norms; expectations and obligations in the system of role relationship acquire greater specificity and replace the diffuse system that characterised the traditional order. Units of society tend to be more specialised and self-sufficient. There is increasing evidence of role differentiation, solidarity and integration. Eisenstadt (1996) suggested that modern society emerges as a consensual mass society and crystallises as a nation-state. Modernised societies operate through institutional structures that are capable of continuously absorbing the changes that are inherent in the process of modernisation. A series of organisations that are complex and differentiated, relatively self-sufficient and functionally specific seek to discharge functions in diverse and disparate fields. Simultaneously, the roles of family and kinship based organisations get more narrowly defined. Government and associated units – the bureaucracy, economic and financial institutions, armed forces and organisations dealing with specific functional areas such as education, health, housing, public transport and recreation assume increasingly important roles.

Box 5.3: Role of the Government in Modernisation

By and large, the government is vested with an important role in modernising the country and planning the economy. In the words of Wilber and Jameson (1988: 9),

“The government must intervene in the economy to offset the anti-development impact of the two types of obstacles to development. On the side of non-rational behaviour, the government can attempt to convince its citizens of the need for ‘modernisation’ while, at the same time, substituting its own entrepreneurial ability and knowledge to fill that vacuum. On the side of markets, the government can again offset the difficulties through economic planning. By developing a coherent overview of the economy through the various means at its disposal, the orthodox result of growth in income can be attained”.

5.3 Giddens's Theory of Modernity

Recent social changes have led to debates over the very nature of the contemporary social world. There is a debate between those who continue to see contemporary society as a modern world and those who argue that a substantial change has taken place in recent years and that we have moved into a new, postmodern world. Most of the classical sociologists were engaged in an analysis and critique of modern society which is clear in the works of Marx, Weber, Durkheim and Simmel. As we move into the 21st century, it is obvious that today’s world is a very different place. The issue is whether the changes in the world are modest and continuous with those associated with modernity or are so dramatic and discontinuous that the contemporary world is better described by a new term, “postmodern.”

A host of social changes are fundamentally altering our world, and traditional “class politics” and faith in progress are being replaced by “identity politics” and “new” social movements such as feminism, gay liberation, ecologism, ethnic revivalism, religious neofundamentalism” (Tucker Jr 1998: 126). These changes have brought with them a challenge to the “philosophical discourse of modernity”. The conceptual framework of social science and the historical legacy of Enlightenment rationality have been challenged by new postmodern knowledge, of which contends that reason is a form of illegitimate power that marginalises and excludes cultural vocabularies that do not conform to its categories.

Giddens said that in order to understand and conceptualise contemporary society, we need a new sociological theory capable of grasping its complexity. He describes the modern world as a “juggernaut”. Modernity in the form of a juggernaut is extremely dynamic, it is a “runaway world” with great leaps in the pace, scope and profoundness of change over prior systems (Ritzer 2000 : 424). Giddens defines modernity in terms of four basic institutions. The first is capitalism, characterised by commodity production, private ownership of capital, propertyless wage labor and a class system derived from these characteristics. The second is industrialism, which involves the use of inanimate power sources and machinery to produce goods. Industrialism is not restricted to the workplace, and it affects an array of other settings, such as “transportation, communication and domestic life” (Giddens 1990: 56). The third, is surveillance capacities which is defined as “the supervision of the activities of subject populations (mainly, but not exclusively) in the political sphere” (Ibid 1990: 8). The fourth is military power, or the control of the means of violence, including the industrialisation of war. It should be noted that at the macro level, Giddens focuses on the nation-state (rather than the more conventional sociological focus on society), which he sees as radically different from the type of community characteristic of pre-modern society.

According to Giddens, modernity is given dynamism by three essential aspects:

- i) **Time-space separation:** With modernisation, time was standardised. In large part, social interaction does not take place at the same time and in the same place. Relationships with those who are physically absent and increasingly distant become more and more likely. New technological measures also call for expansion of our space which means that we can be in the same space though not necessarily in the same locale. The modern rational organisation, for example, has been able to connect the local and the global in new ways. A modern company can function because it has been possible to break the time-space connection.
- ii) **Disembedding of social systems:** Earlier the institutions and actions of society were embedded in the local community. The condition has changed because social relations are lifted out of the local interaction context by disembedding mechanisms. Giddens distinguishes between two types of disembedding mechanisms which contribute to the development of modern institutions: i) symbolic tokens; and (ii) expert systems. Together these are called abstract systems. Money is an example of a symbolic token. It places time in a bracket as it functions as a means of credit. It represents a value that can be later used to purchase new goods. The standardised value allows transactions to be carried out without actually meeting, thus fracturing the notion of space. New patterns of interaction are created across time and space.

Expert systems are defined as, “systems of technical accomplishment or professional expertise that organise large areas of the material and social environments in which we live today” (Ibid: 27). The most obvious expert systems involve professionals like lawyers and physicians. Consider the following example. In travel by bus one enters a large network of expert

systems including the construction of the bus, roads and the traffic control system. The bus can be taken without possessing knowledge of how these systems are constructed. One only needs the money for the ticket (another expert system). The expert systems also help to move social relations from one given context to another. Such a disembedding mechanism requires a time-space separation.

- iii) **Reflexivity of Modern society:** According to Giddens, reflexivity, the third contributing factor in society’s profound process of transformation, is of two forms. The first is a general feature of all human action. The second type of reflexivity is unique to modernity. Modern society is experiencing a reflexivity at both the institutional and personal levels, and this is decisive for the production and change of modern systems and modern forms of social organisation. Giddens defines reflexivity as institutions’ and individuals’ regular and constant use of knowledge as the conditions for society’s organisation and change. The firm undertakes market surveys in order to establish sales strategies; the state conducts censuses in order to establish the tax base. This increased reflexivity is made possible by the development of the network of mass communication. With an expansion of the time-space dimension, the social practices are constantly investigated and changed on the basis of newly acquired information. Today we reflect on tradition and act in accordance with it only if it can be legitimised via reflexivity.

To sum up, Giddens states that modernity’s culture of incessant reflexivity creates a post-traditional social world. As modernity spreads throughout the globe, it encourages the rise of expert, abstract systems of knowledge, represented by the social and natural sciences. These expert systems encourage constant change and reflexivity, which separates time and space from their particular context, re-embedding them in new ones. He also views new social movements, centered on a new life politics, as integral to the texture of modern life. He rejects the claim of surpassed modernity and rejects most, if not all, tenets associated with postmodernism.

Reflection and Action 5.2

What are the main features of Giddens’s theory of Modernity?

5.4 Decline of the Paradigm

The modernisation approach dominated the social science domain in the West and in several parts of the Third World for a decade and developed most between the late 1950s and the mid-1960s. Towards the end of the 1960s, however, it began to lose appeal. The gap between promise and performance of modernisation was too wide to escape attention. The absence of results generated mass apathy and anger and left the modernising elite confused. In the process, the concept of modernisation got demystified.

It was observed that the paradigm of modernisation sought to transfer technology without effecting necessary institutional changes. Imaginative and systematic efforts were to be directed towards institution building for accomplishing the highly specialised and differentiated tasks implicit in the process of modernisation. The notion of rationality, which was the cornerstone of modernisation paradigm, was itself ambiguous. It is now recognised that rationality can be of different kinds operating at different levels and in different contexts. The explanatory power of the paradigm was limited and the guidelines for action embodied in it were somewhat obscure. It was evasive on the vital issue of the poverty of the masses, especially in the less developed countries. The formulation did not take into account the qualitative changes in the problems that humanity faces. The prospects of modernisation and development against the backdrop of the realities of the contemporary world order were

not clear. Thus the global context of modernity remained unexamined. The notion of ceaseless and limitless modernisation has been challenged powerfully from other quarters, especially by environmentalists and conservationists. Non-renewable natural resources, on which the edifice of modernisation is built, are being rapidly depleted; and adequate, efficient and economic substitutes are not yet in sight. The consequences of environmental pollution and ecological imbalance are dangerous. Many vital questions regarding the desirability and possibility of modernisation remain unanswered. This arrests the search for meaningful alternatives and inhibits reflection and action aimed at appropriate solutions.

5.5 Postmodernism

A major challenge to sociological theories of modernity came from the theoretical position of postmodernism. Postmodernism denies any meaningful continuity in history. It is a new historical epoch that is supposed to have succeeded the modern era or modernity. As Habermas states, postmodernism is akin to “the anarchist wish to explode the continuum of history”, demolishing theories of modernity in doing so (Tucker Jr. 1998: 131).

Giddens distinguishes between postmodernism and post-modernity. Postmodernism refers to the recent changes in architecture, literature, art, poetry while post-modernity refers to recent institutional changes in the social world. He finds the latter more important but does not believe that post-modernity theoretically captures the meaning of these social changes. In his view, the contemporary pervasiveness of reflexivity makes useless the distinction between modern and postmodern eras.

For some theorists postmodernism means that we have entered a new, postindustrial world, which problematises old assumptions, including ideals of social progress, the importance of class as a source of social identity and the very idea of a unified self. A new social world requires new knowledge. Postmodernism destabilises contemporary social theory. It values difference, as there are no absolute values that command our allegiance. Postmodernism critiques all limiting assumptions in social and political life, especially those based on rationality that seek to exclude multiple perspectives on the world. It is suspicious of any evolutionary theory and all centralising tendencies and celebrates a diversity of approaches to social life and decentralised social movements.

5.6 The Debate

Giddens shares many of these themes with contemporary sociological theorists such as Habermas, Touraine and Melucci. These authors attempt to grasp the distinctive culture of late modernity that is fragile, ever-changing and different from that which preceded it. Due to the worldwide spread of capitalism, the mass media and industrialism, contemporary society is a global society. More and more people realise that their identities and moral systems can no longer rely on taken-for-granted traditions. With the decline in tradition hence, there has been a rise in reflexivity (Giddens 1990).

These theorists view modernity as an unfinished project and construct a narrative of modernity which culminates in a reformed vision of rationality, universality and evolutionary development. For Giddens, as for these theorists, in the late modern era of highly differentiated and specialised Western societies, conflicts arise in the areas of information and communication. The line between public and private issues becomes blurred. Reflexivity relates self with society in ever changing ways.

Critiquing postmodernism, Giddens and other contemporary sociological theorists reconstruct modernity viewing it as internally complex. Like Weber, they are especially aware of the problems created by a rationality which destroys meaning. Like the postmodernists, they recognise that a major problem of modern culture has been the destructive potential of a rationality that is not sensitive to social and natural contexts. Such a concept of rationality also undermines the conditions of self-government, largely by translating social questions into issues of technical, undemocratic policy.

Habermas is the strongest defender of the legacy of modernity against the postmodern criticisms of it. He sees in modernity tendencies towards rampant instrumental rationality that destroys alternative, more democratic visions of social life. Like Parsons, he states that a universalistic rationality is a major achievement of modernity, which must integrate an increasingly differentiated and complex modern society. Rise of different types of reasoning constitute the key feature of the modern world. Modernity cannot rely on traditional justifications of rule and action and must ground its criteria for evaluation within its own history. In the absence of tradition, communicative rationality takes on the ethical role of coordinating diverse social actions. He sees the culture of modernity embodied in communicative rationality as concerned with establishing autonomy and justice. For Habermas, this communicative context informs the acquisition of knowledge, the transmission of culture, the formation of personal identity and more general processes of social integration.

He further contends that new social movements provide avenues for the development of new values and identities. Arising in a post-traditional and post-industrial society, new social movements represent the main vehicle by which a non-instrumental, communicative rationality can be brought into public life. New social movements associated with late modernity, such as feminism and environmentalism, have fundamentally changed the nature of politics. In sum, Habermas contends that modernity establishes inseparable links between rationality and freedom as demonstrated in the great modernist accomplishments such as democracy and human rights. New social movements are expressing and attempting to implement these achievements in new ways. His championing of the legacy of modernity distances him from the postmodernists.

Like Touraine and Melucci, Giddens theorises a reformed view of modernity that is much more critical than that of Habermas. They argue that new social movements raise novel issues of cultural identity in a global context marked by rapid increases in communication technologies and recognition of the importance of cultural differences. Melucci and Touraine contend that modern societies exist in a post-industrial context, and cultural strife between diverse groups has replaced class struggles over the distribution of resources as central social conflicts. Modern societies are in chronic combat over the possession and very definition of cultural codes and information. New social movements are the primary agents and carriers of innovative discourses and practices in the struggles of the late modern era.

These theorists critically engage the postmodern persuasion, arguing that modernity has not been superseded but remains an unfinished project, as modernist beliefs and practices are still central to contemporary societies. They believe that rational reflexivity has replaced tradition as the main form of social solidarity in the modern world.

Giddens differs from these theorists in that he takes tradition more seriously. In the new distinctively modern-risk society, people draw on expertise, re-evaluate it in terms of their own particular cultural context and then utilise this knowledge to evaluate their everyday actions. He argues that modernity excludes and marginalises particular groups of people who do not fit into

these categories. He agrees with the postmodern claims that the foundations of knowledge are fragile and there is no inherent progress in history, and the new social movements are raising qualitatively new issues about social life. He believes that personal identity has also become less firm and more fragmented in the modern world. However Giddens disagrees with many postmodern tenets. He prefers the idea of late modernity to that of post-modernity. "People do not live in fragmented, unconnected lives; they still construct narratives about their selves, but they do so in 'post-traditional' conditions" (Tucker Jr. 1998: 143).

5.7 Modernisation and Globalisation

The intellectual portrayal of modernisation was, as a political and economic proposition, coming to the fore following World War II. It equated the intellectual, cultural and technological advance of victorious nations as something that needed to be emulated by the "poorer less civilised" people of the world. This is connected to the process of "modernity" which was a project of global conquest – originating in Europe. By Globalisation, we mean the profound reorganisation of manufacturing, trade and services within a globally encompassing system. It points to a phenomena identified interchangeably as a process, a historical event or the end result of shifting "ethno – techno, media – finance and ideo – scapes" (Appadurai 1996: 32). Accordingly, it replaces the unavailing verb, modernisation, because modernists and their opponents depended on model dualistic analysis such as "centre periphery", "north – south", "First World – Third World", "developed – developing", etc.

The concept of modernisation was very much tied to the idea of recreating the world in the image of America and Western European principles and culture. More recently, discussions on Globalisation describe a process by which the world is becoming increasingly interconnected and unified, subject to homogenous and uniform processes of cultural unification. Characters such as Michael Jackson or the corporate logos of McDonald and Nike are examples of global awareness.

5.8 Conclusion

The similarities between classical modernisation studies and new modernisation studies can be observed in the constancy of the research focus on Third world Development.

There are important distinctions between the classical studies and the new studies of the modernisation school. For example, in the classical approach, tradition is seen as an obstacle to development whereas in the new approach tradition is an additive factor of development. With regard to methodology, the classical approach applies a theoretical construction with a high level of abstraction; the new approach applies concrete case studies given in a historical context. Regarding the direction of development, the classical perspective uses a unidirectional path which tends towards the United States and European model, the new perspective prefers a multidirectional path of development. Finally, the classical perspective demonstrates a relative neglect of the external factors and conflict. This stands out in sharp contrast to the greater attention to the external factors and conflicts bestowed by the new approach. Development, in the changed context, poses a challenge and, at the same time, presents an opportunity.

This unit begins with an attempt to understand the process of modernisation and the evolution of modernisation theories. The unit goes on discussing how the theoretical position of post-modernism pose challenge to the sociological theories of modernity. We also saw how Giddens and other advocates of

modernisation theories defend their theories and why they preferred the idea of late-modernity to that of post-modernity. The unit sums up with an analysis of interrelationship between modernisation and globalisation.

5.9 Further Reading

Dube S.C. 1988. *Modernisation and Development*. Vistaar publications: New Delhi

Ritzer, George 2000. *Modern Sociological Theory*. 5th edition. McGraw Hill Higher Education

Singh, Y. 1977. *Modernisation of Indian Tradition*. Thomson. Faridabad



Liberal Perspective on Development

Contents

- 6.1 Introduction
- 6.2 Liberalism as an Ideology
- 6.3 Streams of Liberal Thought
- 6.4 Evolution of Liberal State
- 6.5 Addressing Social Inequality
- 6.6 The Welfare State
- 6.7 Emergence of Neo-Liberalism
- 6.8 Criticism of the Liberal Perspective
- 6.9 Conclusion
- 6.10 Further Reading

Learning Objectives

After going through this unit, you will be able to:

- understand the concept of liberalisation;
- explain the pre-conditions for the rise of the liberal state; and
- critically discuss the liberal perspective and the emergence of neo-liberalism.

6.1 Introduction

With roots in European Enlightenment, liberalism developed in the 19th century in the West. In the present day, liberalism is widely regarded as one of the most influential modern political ideologies. The term was first used by Spanish, French and English writers with a negative connotation. It was aggressively used to refer to the people with radical or progressive opinion. It soon lost its negative meaning and became a respectable political label. Most people would now like to be called “liberal”, which implies, “to be open-minded”, “to be generous, and tolerant”, “prepared to sacrifice self-interest for the public good”, “concerned to approach every issue from an impartial and rational standpoint”, and “not the least influenced by prejudice and superstition”. Such people oppose authoritarian laws and practices that would put particular social groups in a situation of disadvantage. People with a liberal outlook support the right to free speech, the right to picket and protest, and the rights of women, homosexuals, prisoners, refugees, and the rights of all marginal communities.

In this unit we seek to understand the concept of development from the liberal perspective. Beginning with the basic ideology of liberalism and the extent of power intervention of the state in terms of economic and political control over business and the role of the state in a liberal economy, we go on to developing a critique of the liberal perspective and the emergence of neo-liberalism. We conclude with evolving a framework for comprehending development from the liberal perspective.

6.2 Liberalism as an Ideology

Liberalism has provided a unique perspective on social, economic and political development. It set out an ideology that has shaped history, and in recent times has made a major come back in the form of neo-liberalism to influence the future course of human development. Human history, over the past two

hundred years or so, has been, in a sense, one of struggle between supporters of economic liberalism (committed to the principle of the ‘self regulating market’) and the defenders of ‘society’ (who have sought to regulate the way in which labour is engaged with capital, the exploitation of nature, and the money market). The struggle has proliferated in the political and ideological domains. Each of the two conflicting perspectives has come out with definite concepts, theories and ideologies, and techniques to realise the respective visions of society. The struggle over the virtues of a ‘flexible’ labour market and the threats which they pose to livelihoods continues. The leading perspectives on development, namely the Marxist and the Liberal, differ on the interpretation of social inequality and the methods to secure justice for the victims of unequal economic, social and political arrangements. The argument has built on the issue of the scope of market prices. More specifically, the question of relevance here is whether the market forces should be allowed a free reign or there should be a regulation on them. The difference is whether development should be reduced to growth in productivity and per capita income or should it be perceived in a broader perspective in terms of empowering the common people and securing distributive justice for them.

Ideologically, liberalism has stood out in opposition to the socialist ideals over the past two centuries. It offers us a distinctive vision of society, about freedom and free competition in the field of economic entrepreneurship, and of the role of the state in the control of production and in the promotion of free citizenship.

As a political ideology, liberalism is opposed to any form of political absolutism, be it monarchy, feudalism, militarism or communitarian. It stands for a social and political atmosphere in which authoritarian demands are resisted and the fundamental rights of the individuals and groups, such as the right to private property, free exercise of religion, speech and association, are promoted.

The philosophical foundation of classical liberalism was shaped in the writings of David Hume, Jeremy Bentham, and John Stuart Mill. These thinkers constructed the social contract theory based on the idea that human beings are guided by enlightened self-interest, rationality, and free choice, and the idea of free development of the individual self in a free atmosphere with minimum of state control. Liberalism was the guiding principle enshrined in the economic doctrine of *laissez-faire*, which means free promotion of entrepreneurship in production and trade, and in the social and political doctrines of liberty and democracy.

6.3 Streams of Liberal Thought

The liberal school of thought in the economic, social, and political fields is not monolithic; rather there are divergent streams of liberal thoughts, particularly on the question of individual freedom vis-à-vis the state.

Box 6.1: Major Doctrines Influencing Liberalism

“Liberalism never constituted a unified and consistent doctrine. It has, rather, been an amalgam of different doctrines, including the *Recht Staat*, the defense of individual freedom and basic rights, the recognition of pluralism, representative government, the separation of powers, the limitation of the role of the state, rationalistic individualism, and capitalist market economy” (Torfing 1999: 249).

Some liberals put more emphasis on economic freedom and allow greater government intervention in moral life (the political philosophy embedded in Thatcherism and Reaganism is taken as an example in this line) while others uphold the idea of minimum state intervention in all walks of life. The latter theoretical position is often known as libertarianism.

Libertarianism has its roots in the writings of the seventeenth-century English political philosopher John Locke, who emphasised the priority of individual rights to life, liberty and property, and the elimination of coercive intervention by the state, which is taken as the prime violator of liberty. Above all, individual liberty is an identifiable marker of conservative thought (the guiding ideology of the British Conservative and American Liberal parties). American philosopher Robert Nozick (1974) and the economist Friedrich Hayek are among the modern protagonists of libertarianism in their respective fields. Nozick argues in favour of reducing the role of the state to a mere “protection agency” for the citizens. Hayek (1944, 1982), holds that the ideal economic and political arrangement and interpersonal relationships are modeled on market exchanges, the role of the government is reduced to maintaining order and providing public services that involve formidable initial capital services. The libertarian ideals have found strongest support in the United States wherein conservatism and neo-liberalism are easily blended. In essence, libertarianism calls for human action not guided by any form of determinism.

Liberal beliefs often contradict those of socialism and conservatism. Tom Paine’s radical liberalism, based on the idea of a minimum government involvement in the economy, is close to socialism; whereas the overriding concern of other liberals to uphold the rights of private property draws them close to conservatism. The early liberalism of Paine and others was progressive because it aimed to liberate individuals from traditional political constraints. They wanted government to be confined, in John Locke’s words, to the role of an ‘umpire’, which would impartially safeguard individual freedom and rights. It was thus believed that citizens would be offered maximum opportunity to shape their own future.

Liberalism continued to be associated with progressive social trends even after the erosion of the power of the aristocracy. However, from the end of the nineteenth century, liberals began to encourage the growth of government initiatives. Liberals now argued that individual freedom was diminished by poverty and unemployment which stemmed from uncontrolled *laissez faire* capitalism. Hence the need for the government to assume a larger role in social affairs, and in the elimination of economic constraints upon personal liberty.

Liberals always believed that doing away with political and economic constraints on individual behaviour would lead to moral improvement throughout society. Individual liberation, according to this viewpoint, is the key to social progress. Individuals who lead a free and independent existence are likely to acquire virtues such as self-reliance, prudence, tolerance and respect for the rights of others. These virtues are often described as ‘bourgeois’ since they are typically displayed by economically successful groups in capitalist society.

Liberalism has been allied with the progress of the capitalist world. Its subscribers seek to remove restraints upon the capacity of individuals to participate economic competition. They have argued that the economic independence associated with capitalist regimes also breeds a sense of moral independence. Liberals, in this sense, can be said to favour a process of “embourgeoisment” in which everyone will eventually adopt attitudes compatible with a competitive economy.

The history of liberalism reveals a succession of strategies to extend rights which, it is judged, will secure the economic and moral independence of individuals. The different versions of liberalism foresee a one-class society consisting of self-governing citizens. The liberal ideal of a community is where despite inequalities of wealth, self-discipline and mutual respect are upheld.

6.4 Evolution of Liberal State

In the nineteenth century, commercial interests in England were specifically geared to limit the powers of the state and to establish parameters within which business activity could remain more or less untrammelled. The state proposed 'cooperation' and started controlling the movement of capital for the 'public interest'. The liberal state at this stage was not a *laissez-faire* state but one in which interventionism was required to create or maintain the conditions for private accumulation of wealth. It also demanded the involvement of the bourgeoisie in the public sphere.

The extension of capitalism tended to reduce earlier mercantilist notions of state economic activity and the political control of trade. Instead, public action on economic matters consisted largely of the construction and management of legal, fiscal, monetary and financial frameworks for the autonomous self-regulating operations of the allocative mechanisms constituted by the markets of land, capital and labour (Poggi 1978: 115). The liberal state thus played an important role both in the economy and in social life. Wolfe (1997) suggests, "the accumulative state's role during this period of expansion was to: define the broadest parameters of economic activity, preserve discipline in order to increase production, adjust macro-economic conditions, provide direct subsidies to private industrialists, and to fight wars". Moreover, the new bourgeoisie in Britain were quick to turn to Parliament to reform and unify the existing localised forms of social control which did not fit well with the requirements of an emerging capitalist society.

Notions of equality and civic rights, despite the thrust on individualism ingrained in liberalism, paved the way for increased demands and participation of the disadvantaged and the disenfranchised. Social and political demands from an increasingly large group of the population inevitably confronted business with a potential threat in a political system where government power was gained by voting strength. In the final analysis, however, democratisation did not come in the way of the advancement of the capitalist economy but it helped integration of the forces (the working class in particular) which, according to Marx, should have forced the disintegration of the capitalist order.

Throughout the nineteenth century the extension of formal liberal rights in conjunction with deepening social disparities broadened the debate on the question of equality. In several European countries the rights to association and trade unionism were extended to the working class in order to broaden the base of social justice, although amidst opposition from the proponents of *laissez-faire*. The extension of citizenship to the lower classes was given the special meaning that as citizens the members of these classes were entitled to a certain standard of well-being in return for which they were only obliged to discharge the ordinary duties of citizenship (Bendix 1964). Such developments marked a move away from the radical individualism of the liberal state. The development of the modern, increasingly powerful state during the latter part of the nineteenth century, however, had induced conflicting responses from businessmen over the extent to which the state should actively secure the basis of successful capital accumulation through increased economic interventionism in the market. At the beginning of the twentieth century, the economy did not seem to be fully operating on the model enshrined in the paradigm of liberalism. Firms were larger, production was concentrated, liability was more limited, and the functions of corporate ownership and management became more distinctive, particularly as demands for protection of home and markets that were stimulated by foreign competition increased. The First World War shaped capitalism in a way that differed considerably from the liberal design. In England, for example, by the end of the war the state combined and controlled the railways, guaranteed profit margins and had assumed a major role for insurance. It was also the largest employer and

produced the major part of national output. In the period between the two World Wars cooperation between the state and the business interests was the dominant guiding principle of social management. After the Second World War there was a clear shift, both in Europe and America, towards the welfare state.

6.5 Addressing Social Inequality

Liberal thinkers do not accept that inequality is inherent in society, rather it is treated as socially constructed. Inequality is, therefore, liable to be addressed and removed. Since individuals are born free and equal, ideally the state ought to be run with the consent of those on whom its authority rests. The liberals, along with the conservatives, nurse a strong distaste for socialist egalitarianism. Both favour a system of free economic competition in which individual talent and enterprise are appropriately rewarded. Rewards, according to them, should be equal because people strive with the same degree of skill and effort to provide for their material comforts. They dismiss the socialist ideal that individuals should be rewarded on the basis of need rather than merit as unjust. Neither the conservatives nor the liberals are prepared to sacrifice liberty for the sake of social equality. The liberal position on the question of inequality may be presented in the following words:

The liberal society cannot be an egalitarian society, since freedom includes the freedom to make headway or to fall back, and Liberals cannot agree to resist the energetic in the interest of the leisurely. On the contrary we should try to ensure equality of opportunity, accepting the implication that some who seize opportunities will go further and further than those who do not (Watson 1957: 192).

However, modern liberals share the necessity of maintaining some redistributive justice with the socialists. They concede that gross inequalities could impair the freedom of the people who are condemned to life of hardship and poverty. For this reason they endorse a programme of social welfare. They acknowledge that the welfare of the people is actually a form of liberty in as much as it liberates men from social conditions which narrow their choices and thwart their self-development. Thus, according to them, some attempt by the government to create a more equal society may safeguard rather than undermine individual freedom. While addressing the question of inequality, the liberals seem to be in a dilemma since they want both individual freedom and some element of state control to ensure distributive justice, which in turn is taken as a precondition to liberty.

6.6 The Welfare State

The role of the state in a liberal economy assumed a new dimension after the wide circulation of the influential writings of the English economist John Maynard Keynes (1883-1946). Keynes critiqued the liberal idea on the ground that an unregulated economy would tend to move towards full employment and thus would ensure social equilibrium or stability. Shifting from the *laissez-faire* argument of “zero role for state”, Keynes (1936) argued that equilibrium could be established before reaching that point, i.e., a society can achieve full employment by stimulating aggregate demand with active state intervention. In case full employment results in inflation, the state should act to reduce aggregate demand. Government intervention, in both cases, should be in terms of controlling tax (fiscal) policy, government expenditure, and monetary policy (changes in interest rates and the supply of credit). The great depression of the 1930s ravaged the capitalist world and in a desperate attempt to come out of depression it searched for new ways of how state powers could be conceived and deployed (Harvey 1989: 128). Keynesian economics assigned an important role to the state of managing demand and securing the conditions

of mass consumption. The “new conception” was put into practice by new welfare states. The establishment of these welfare states depended upon the achievement, that followed years of struggle, for balance of power between the large-scale corporate sector, organised labour and the state. Keynesianism dominated liberal economic thought and economic policies at least for three decades after the Second World War. The economic policies of most western states were guided by an urge to generate employment and to meet the basic needs of education, health, housing, civic amenities and others by adhering to a disciplined tax regime. Development policies stemming from Keynesianism helped in the consolidation of western capitalism both internally and externally. Internally, the economically weaker sections of society were integrated to the liberal social, economic and political arrangement while externally, the western capitalist world succeeded in consolidating its position vis-a-vis the socialist block. In the second half of the twentieth century, thus, the role of the state in meeting the welfare needs of the common people in advanced industrial societies was increased as a well-worked out policy of social stability.

Reflection and Action 6.1

In your opinion, to what extent should the state intervene in the social and economic affairs of an individual?

6.7 Emergence of Neo-Liberalism

In the post-War period, even as the western states were realising the importance of welfare as an element in public policy, there was recognition of the need for slackening the role of the state in order to facilitate free movement of technology and capital. The most prominent neo-liberals are libertarians, enthusiastic advocates of the rights of the individual that are sometimes against those of the coercive state. The chief protagonists are Milton Friedman, Friedrich Hayek, and Robert Nozick. Friedrich A Hayek, for example, is known for his anti-Keynesian monetarism. A strong advocate of *laissez-faire* economics, Hayek (1944) argues that centralised economic planning threatens liberty and therefore creates conditions for serfdom. He later explains that collectivism is a threat to individual freedom (see Hayek 1982).

The ideals of classical liberalism, based on the idea of *laissez-faire*, reappeared in the 1980s in the form of liberalisation or globalisation of production, distribution and consumption arrangements. Over the past couple of decades there has been some retrenchment in state welfare in a range of western societies, particularly after Reaganism in the USA and Thatcherism in the UK in the 1980s, with increasing privatisation of welfare services and support for private provision dependent on the ability to pay, rather than upon need.

Towards the end of the twentieth century, much as in the nineteenth century, one of the major battle lines of politics has been between the apostles of economic liberalism and those who favour intervention to “protect society”. Lately the proponents of protectionism have become more influential again. This is the substance of the so-called “third way” which came to be much talked about at the end of the 1990s. It stands in the position that was once occupied by socialists and it has brought together newly elected left-of-centre leaders in Europe — Tony Blair in Britain, Lionel Jospin in France, Gerhard Schroeder in Germany, and Clinton in the United States. The “third way” could be interpreted as a balancing act to take care of the backwash effects of a great leap forward of capitalism. Industrialisation is a precondition of development, which is understood in terms of economic progress, end of traditional values, rise of rationality, removal of mass poverty, spread of liberty and citizenship.

The social scientists are worried about the negative impacts of the neo-liberal phase of development. Castells (1996) argues that in the new era of capitalist growth the focus would shift from industrialisation to the network of information and knowledge. The 1998-99 World Bank report mentions that the “differences in some important measures of knowledge creation are far greater between rich and poor countries than the difference in income.” Certainly, the decline of the manufacturing sector and the rise of service and knowledge-based sectors in industrialized countries will pose new questions for development analysts and policy makers in future.

Extending the critique of neo-liberal development, Kitching (1989) comments that “development is an awful process”; for Cowen and Shenton (1996) development means “ameliorating the disordered faults of progress”. Much of development efforts go into ameliorating the problems of poverty, environmental degradation and social disorder. “Development” is often equated with programmes for the relief and welfare of poor communities or displaced populations.

The international agencies monitoring globalisation (the World Bank, in particular) are now increasingly laying stress on the integration of poor communities into the global system. Social scientists are engaged in suggesting means to achieve global integration. Chambers (1989), for example, suggests a participative approach to facilitate the involvement of people in the developmental plans made for them and to empower them in the process. Chambers has been largely responsible for promoting what is now a large global network or movement concerned with “Participative Rural Appraisal” (PRA) or “Participative Learning and Action” (PLA), including idealistic precepts such as “handing over the stick” to poor communities to allow them to design and run their own development projects. In the Indian context, we see that processes like economic liberalisation, democratic decentralisation and participatory development are being experimented at the same time.

6.8 Criticism of the Liberal Perspective

C B MacPherson, (1966) has criticised liberalism on the ground that it promotes “possessive individualism”, meaning individuals with little social or collective concerns. The socialist critique of the liberal perspective is based on the interpretation of inequality and social justice. It has been argued that the economic order, characterised by inequality would promote further inequality and social injustice in an atmosphere of free market competition. The criticism of classical liberalism also came from within the liberal circle; Keynes, for example, came out with a critique of the classical liberalism of Ricardo, Mill and Bentham, and proposed state-welfarism for the protection of the working class’s interests. Sociologists have critiqued the idea of the individual autonomous self as absurd; they have also rejected the possibility of neutral rule which would guarantee the promotion of equal opportunities for all, a precondition of individual liberty. Historically, there has never been a free-market economy, absolutely free of the control of the state. Even now when in the 1980s and 1990s neo-liberalism has made a strong comeback, pushing the idea of state-welfarism to the back seat, there have been renewed talks on the protection of the rights of victims of neo-liberal economics.

The liberal approach has devised an elaborate arrangement of labour control which entails “some mix of repression, habituation, co-option and co-operation, all of which have to be organised not only within the workplace but throughout society at large” (Harvey 1989: 123), and is supported by the formation of dominant ideologies. The liberal approach that consolidated capitalism worldwide has passed through “regimes of accumulation”, to borrow Boyer’s (1990) phrase. According to Boyer, the “regimes of accumulation” designates “the set of regularities that ensure the general and relatively coherent progress

of capital accumulation, that is, which allow for the resolution or postponement of the distortions and disequilibria to which the process continually gives rise” (Boyer 1990: 35). A “regime of accumulation”, Lipietz writes, “describes the stabilisation over a long period of the allocation of the net product between the transformation of the conditions of both the conditions of reproduction of wage-earners. A regime of accumulation thus implies the co-ordination of the activities of all sorts of social agents, or in other words institutionalisation, in the form of ‘norms, habits, laws, regulating networks and so on that ensure unity of the process ... [and] ... This body of interiorised rules and social processes is [what is] called the mode of regulation” (Lipietz, cf Harvey 1989: 122). The liberal approach has thus been accompanied by an elaborate arrangement for legitimizing and reproduction of the economy, embedded in a legal and social arrangement that facilitated reproduction of the self-regulated economy or the liberal economy.

The triumph of the free market economy was possible not by cutting the state down to size but with an elaborate social, cultural and political arrangement under the patronage of state and an elaborate arrangement of management of the labour force. Hollingsworth and Boyer (1997: 2) have aptly referred to this mechanism as “social system of production”.

Antonio Gramsci’s idea of hegemony and Foucault’s idea of bio-power can be used to construct a critique of liberalism.

Box 6.2: Hegemony

Hegemony means leadership, authority or dominance established by one state or social group over others. It involves exercise of power or force by the dominating state or social group to establish itself or its ideology which is met with resistance and repression by those on whom these are being established.

In the past two centuries liberalism turned out to be the hegemonic ideology of western capitalism. Without sacrificing corporate interest the western states have gone for more and more democratisation and political participation of the downtrodden and marginalised in order to integrate them into the capitalist social order. Gramsci and Althusser would suggest that the western state worked in the social and cultural fields for the ideological integration of the class forces.

In a critique of the functioning of the modern liberal state, Michel Foucault (see Dean 2001) has argued that to govern would now mean to cultivate, facilitate and work through the diverse processes that were to be found in this domain exterior to the institutions of government. One key domain in which these processes are constituted is “bio-politics”. Bio-politics refers to politics concerning the administration of life, particularly as it appears at the level of populations. Bio-politics must then also concern the social, cultural, environmental, economic and geographic conditions, under which humans live, procreate, become ill, maintain health or become healthy, and die.

Foucault has charted out the history of the transition of the mechanism of governance from governance through absolute power to govern through economic management and by granting more and more autonomy to people. Bio-politics then first meets quite distinct forms of political rationality and knowledge concerned with the role of commerce in civil society. In Foucault’s assessment, the classical English political economy in the first quarter of the nineteenth century aimed at optimisation of the life of the population. Thomas Malthus, for example, discovered the relation between the processes that impel the growth of population and those natural ones that provide subsistence for the increasing quantity of human life; the linkages between scarcity and necessity. The bio-economic reality discovered and enshrined in the work of

English political economists of the early eighteenth century helped generate new norms of government in order to optimise the life of the population. The new norms entailed government through the economic realities, commercial society and the market; they also entailed a concern to govern efficiently, to limit waste and restrict cost, a concern with what Benjamin Franklin called “frugal government”.

According to Foucault, liberalism may be understood as a critique of excessive government. It should be approached, however, not only as a critique of earlier forms of government such as police and reason of state, but of existing and potential forms of bio-political government. Liberalism thus criticises other possible forms that the government of the processes of life might take.

According to Foucault, liberalism retains a concern with security and advances a novel conception of the objective of government as “setting in place mechanisms of security whose function is to assure the security of those natural phenomena, economic processes, and the intrinsic processes of population”. Foucault suggests that liberty has been used as a condition of the economic and biological security of the citizens by the liberal state. While liberalism would adopt a legal and parliamentary framework, this is less due to an affinity with juridical thought than because of law’s generality and exclusion of the particular and exceptional, and because through the parliamentary system, liberalism permits the participation of the governed in liberal government. Indeed, Foucault seems to suggest that liberalism has more affinity with the norm than with the law. This is because, first, it constantly seeks a norm of good government in the changing balance between governing too much and governing too little and second, it employs mechanisms that strive to stabilise and normalise subjects in such a way that they exercise freedom in a responsible and disciplined manner.

Liberalism thus participates in and fosters the “society of normalisation”. In its emphasis on the formation of the responsible exercise of freedom as necessary to the security of autonomous processes of economy, society and population, liberalism multiplies and ramifies what Foucault calls “dividing practices”, that is practices in which “the subject is either divided inside himself or divided from others”. Moreover, the history of liberalism shows how a range of liberal techniques can be applied to those individuals and populations who are deemed capable of improvement and of attaining self-government (from women and children to certain classes of criminals and paupers).

Foucault’s account of liberal governmental formations suggests a complex articulation of the issues of bio-politics and sovereignty. It is an articulation of elements of the shepherd-folk game concerned in its modern form to optimise the identities of the life of the population and normalise the identities of individuals within it, and of the city-citizen game in which the individual appears as an active and responsible citizen within a self-governing political community and within commercial society. In this balancing act that modern liberalism has thrived by mastering the mechanisms of disciplining and subjugation of the citizens, although the main objective of ideology was to promote liberty. Nevertheless, while liberalism may try to make safe the bio-political imperative of the optimisation of life by deploying the notion of rights and framework of law it has inherited from forms of sovereign rule, it has shown itself permanently incapable of arresting the emergence of forms of knowledge that make the optimisation of the life of others.

Reflection and Action 6.2

What are the major limitations of the liberal perspective of development?

6.9 Conclusion

Liberalism, as a perspective of development, has to be understood in a broader framework, in terms of its economic, political and social meanings. The modern day political ideologies and economic and social policies primarily flow from liberal perspective. Historically, liberalism has been put to use for the unhindered growth of capitalist economy and the capitalist social order. A close look at the genealogy of the liberal perspective of development would disentangle how the power relations, the legal system and the social and cultural elements have been put to use for the expansion of the principles of the free market economy worldwide. Although there has been more and more democratisation and empowerment of the common people in all countries with the recognition of the principles of equality, fundamental rights and justice, the liberal state has, in the ultimate analysis, bailed out capitalism from periodic crises and restored it to a strong foundation. The Marxist paradigm of a base-superstructure relationship is thus reinstated. The idea of pure *laissez faire* has never been practicable because capital has always needed some kind of support from the state. The state has historically worked out strategies to facilitate the uninterrupted growth of capital and has successfully accommodated the labour force into the capitalist social order by working in the ideological, social and cultural spheres. In the past couple of decades liberalism has made a strong comeback in the shape of neo-liberalism and it is now out to operate on a wider global scale. The hegemonic neo-liberalism is provoking new ideas and new movements for the protection of the working class and the other victims. The phenomenon of globalisation and its social, cultural and political implications thus have to be examined at global scale.

Although classical liberalism was shaped in the writings of economic theorists, it slowly dispersed into of social, political, etc. streams of thinking as well. The present unit depicts liberalism as it exists in different streams of thinking. It examines the evolution of liberal state as well as the different issues such as inequality, role of state, etc. as addressed by liberalists. Also we made an attempt to examine the neo-liberal ideas and how is it different from liberal views. Finally, a critical appraisal of liberal theories is conducted.

6.10 Further Reading

Cowen, M. P. and R. W. Shenton. 1996. *Doctrines of Development*. Routledge: London

Dean, Mitchell 2001. "Michel Foucault: 'A Man in Danger'", in George Ritzer and Barry Smart (eds.) *Handbook of Social Theory*. Sage Publications: London

Torring, J. 1999. *New Theories of Discourse*. Mass : Blackwell

Marxian Perspective on Development

Contents

- 7.1 Introduction
- 7.2 Marxian Idea of Development
- 7.3 Capitalism, Class Relations and Development
- 7.4 Marx's Plan of Action
- 7.5 Marx and Historical-Sociological Perspective
- 7.6 Neo-Marxian Approach: World-Systems Analysis
- 7.7 Implications of World-System Analysis
- 7.8 Critical Theory: Frankfurt School
- 7.9 Conclusion
- 7.10 Further Reading

Learning Objectives

This unit aims to introduce you to:

- Marx's idea of development;
- Marx's idea of capitalism, class relations and development and his plan of action;
- neo-Marxian approach to development; and
- criticisms of Marxian approach to development.

7.1 Introduction

This unit deals with the central Marxian idea on development. Marx has tried to explain development in terms of the progression of society through various stages — tribal, asiatic, ancient, feudal and capitalist. He has visualised conflict inbuilt in the material condition of existence to be the core factor in development. To carry forward this conflict he has identified the agency of social class as the main vehicle of class conflict.

In the earlier units of this block we have discussed modernisation and the liberal approaches to development.

By now you must be acquainted with the significance of market forces in development.

In this unit we shall be dealing with Marxian approach to development. In MSO-001 Sociological Concepts and Theories, you have read Marxian concepts of class and class conflict, and capitalist mode of production and change. In this unit we touch upon all these issues again from the perspective of development. Here we shall briefly discuss Marx's idea of development, capitalism and his plan of action. The social conditions of the working class in the capitalist mode of production has been especially examined. We have also discussed neo-Marxian approaches to development, i.e., the world system analysis and critical theory. This unit ends with discussion on critical theory.

7.2 Marxian Idea of Development

Karl Marx (1818-1883) was the most influential socialist thinker on development in the 19th and 20th centuries. Of late, against the backdrop of the collapse of the socialist economy, Marxian thought has been a subject of critical review. Around half of the world population followed his suggested path of restructuring

the social and political organisation and economic development. His contribution to the theory of development is simply unparalleled and path-breaking. After his death on 14th March 1883, his life time collaborator and close friend, Friedrich Engels, wrote in his obituary:

Just as Darwin discovered the law of development of organic nature, so Marx discovered the law of development of human history: the simple fact, hitherto concealed by an overgrowth of ideology, that mankind must first of all eat, drink, have shelter and clothing, before it can pursue politics, science, art, religion, etc.; that, therefore the production of the immediate material means, and consequently the degree of economic development attained by a given people or during a given epoch, form the foundation upon which the state institutions, the legal conceptions, art, and even the ideas on religion, of the people concerned have been evolved, and in the light of which they must, therefore, be explained, instead of vice versa, as had hitherto been the case.

The development of human society through various stages, development and change in the material condition, existence, development of capitalism, and the corresponding change in the class relationship and transformation in the mode of production were the major concerns of Karl Marx. Let us examine some of these concerns.

a) **Production Relation and Development**

Marx had a profound philosophical vision of the development of human society which may be understood in terms of the material condition of existence and the dialectic, i.e., contradiction inbuilt in the material condition of existence. Though he has not denied the significance of non-material forces in the process of development of human society through various stages, he emphasised that material forces and their contradiction provided the very basic and fundamental condition of development and change in human society. Marx's idea of development is best understood in terms of his analysis and interpretation of the capitalist society, its evolution, structure and functioning. As a prolific writer, Karl Marx has touched upon all these issues in several of his writings, especially in the *Communist Manifesto* (1848), in the Preface to *A Contribution to the Critique of Political Economy* (1859, 1976) and *The Capital* (1887).

According to Karl Marx all the legal relations, politics, forms of the states, etc. are to be understood, not in terms of development of human mind but in terms of the material condition of life. To him, in the process of development of human society human being has emerged to be a producing animal and thereby tied with several production relations. To quote him:

In the social production of their life, men enter into definite relations that are indispensable and independent of their will, relations of production which correspond to a definite stage of development of their material productive forces. The sum total of these relations of production constitutes the economic structure of society, the real foundation, on which rises a legal and political superstructure and to which correspond definite forms of social consciousness. The mode of production of material life conditions the social, political and intellectual life process in general (Marx 1859).

He was very categorical to mention that with the change in the economic foundation the inter superstructure, that is the legal, political, religious, aesthetic or philosophical, get transferred. In the process of such transformation individual consciousness is determined not by what he thinks but by the contradiction of material life that is the conflict between the social productive forces and relation of production. Consciousness is a part of development in human society. To him, it is not the consciousness of men that determines their existence but on the contrary their material condition of

existence that determines this consciousness. As pointed out earlier antagonistic production relation is the key factor for change and development to Marx.

He points out that at a certain stage of development “the material productive forces come in conflict with the existing relation of production,..... with the property relation within which they have been at work hitherto. From forms of development of productive forces this relations turn into their fetters. Then begins an epoch of revolution” (Marx 1976: 504).

To him the asiatic, ancient, feudal and capitalist are the progressive epochs in the economic formation of society. The capitalist relation of production to him is the last antagonistic form of the social process of production.

b) **Class Relation and Change**

In all the stages of economic transformation of society, there have been specific forms of class struggles. Social classes according to Karl Marx are the main agents of social change. The change is however based on class conflict. Thus to him.

The history of all hitherto existing society is the history of class struggles. Freeman and slave, patrician and plebeian, lord and serf, guild-master and journeyman, in a word, oppressor and oppressed, stood in constant opposition to one another, carried on an uninterrupted, now hidden, now open fight, a fight that each time ended, either in a revolutionary re-constitution of society at large, or in the common ruin of the contending classes (Ibid).

Classes, to Marx, are formed based on objective material conditions. These are groups of people with a common economic position vis-a-vis those of other class. In essence, this economic interest is conflicting and contradictory to each other's class position. These class relations get transformed to hostile action against each other with the intermediation of class consciousness. The objective material conditions form the basis for the formation of “class-in-itself” which get transformed into “class-for-itself” in the process of transversing of subjective class consciousness.

To Karl Marx, though the class relation was very complicated in the earlier epochs of history, in the modern stage of capitalism this has been simplified. In the modern capitalist society new classes however have emerged with new condition of operation and new form of struggle between the bourgeoisie (the owners of the of production i.e., the ‘haves’) and the proletariat (i.e. the ‘have-nots’).

According to Marx, under capitalism wage labourers are paupers who grow more rapidly than the population and wealth. The essential conditions both for the existence and sway of the bourgeoisie class is the formation and augmentation of capital. The advance of industry, whose involuntary promoter is the bourgeoisie, replaces the isolation of the labourer, due to competition, by their revolutionary combination, due to association. The development of modern industry, therefore, cuts from under its feet the very foundation on which the bourgeoisie produces and appropriates products. What the bourgeoisie therefore produces, above all, is its grave diggers. Its fall and the victory of the proletariat are equally inevitable (Ibid: 119).

7.3 Capitalism, Class Relations and Development

Modern industry has established the world market that has given immense scope of development to commerce, navigation and communication by land. These developments again have paved the way for the extension of industries and free trade.

The bourgeoisie class constantly maximises its profit through the expansion of new markets, introduction of new technology, extraction of surplus value and exploitation of the proletariat. However, along with these developments there emerge new forces of contradiction within the capitalist system. Notwithstanding the emergence of new forces of contradiction, the bourgeoisie was very revolutionary in their outlook and action. According to Marx, "The bourgeoisie, historically, has played a most revolutionary part..... the bourgeoisie cannot exist without constantly revolutionising the instruments of production, and thereby the relations of production, and with them the whole relations of society."

Through the exploitation of the world market the bourgeoisie has given a cosmopolitan character to the production and consumption process. The old industries got destroyed. The old national industries got dislodged. Industry in the capitalist system no longer worked only on indigenous raw materials but raw materials drawn from the remotest zones, whose products are consumed in every quarter of the globe.

In place of old wants satisfied by the productions of the country, we find new wants, requiring for their satisfaction the products of distant lands and climes. In place of the old local and national seclusion and self-sufficiency, we have intercourse in every direction, universal interdependence of nations. And as in material, so also in intellectual production. the intellectual creations of individual nations become common property. National onesideness and narrow mindedness become more and more impossible, and from the numerous national and local literatures there arises a world literature"(Ibid: 112).

The capitalists according to Marx also subjected the nature to the force of man and machinery through the application of chemistry to industry and agriculture, and modern technologies such as steam-navigation, railways, electric telegraph, canalisation of rivers, etc. All these facilitated the scope of free commodification of the economy at world scales. There also emerged free competition accompanied by social and political institutions to adopt to it.

The modern capitalist however, according to Marx, has inherited and nurtured the seeds of its destruction in its own womb. In proportion to the growth of the bourgeoisie there has emerged the modern working class — the proletariat, "These labourers, who must sell themselves piecemeal, are a commodity, like every other article of commerce, and are consequently exposed to all the vicissitudes of competition, to all the fluctuations of the market." (Ibid: 114)

For Marx the essence of the captor is to maximise profit through commoditisation of the production process. As long as capitalism is based on private ownership of the means of production, it maximises profits of the private producers. This profit is again maximised by exchange proceeding from money to money by way of commodity. Gradually the proceed from money to money by way of commodity ends up with more money than one had at the outset (Aron 1965: 128). To explain the sources of profit, Marx talked about the theory of value, wage and surplus value. To him, the value of any commodity is roughly proportional to the quality of human labour contained in it. The wage capitalists pay to the workers, as the compensation for the labour power the worker rent to the capitalist, is equal to the amount necessary for the existence of the workers and their family to produce the merchandise for the capitalist. Under the capitalist system, workers receive the wage which is less than the actual duration of the work; that is less than the value of the commodity he or she produces. Here comes the notion of "surplus value" which refers to "the quality of value produced by the workers beyond the necessary labour time". Under the capitalist system the workers do not get the wage for the quality of the value produced beyond the necessary labour time.

In return the wage received by a workman is restricted only to the means of his subsistence and survival. Marx calculated that the price of a commodity and therefore “also of labour is equal to its cost of production”. In proportion, therefore, as the repulsiveness of work increases the wage decreases. With the increase in the proportion of the use of machinery and division of labour the burden of toil of the labour also increases in terms of increase in the working hours, and increase in the quantum of work.

The proletariat is without property. His relation to his children and wife has no longer anything in common with the bourgeoisie family relations; modern industrial labour, modern subjugation to capital, the same in England, as in France, in America and Germany, has tripped him of every trace of national character. Law, morality, religion are to him so many bourgeois prejudices, behind which lurk in ambush just as many bourgeois interest” (Ibid: 118).

Gradually the number the proletariat also increases to gain more strength and awareness. The lower middle class, the small manufacturer, artisans, peasants also join the army of the proletariat in their fight against the bourgeoisie. To Marx “All previous historical movements were movements of minorities, or in the interests of minorities. The proletarian movement is the self-conscious, independent movement of the immense majority, in the interests of the immense majority.” And again Marx writes; in depicting the most general phases of the development of the proletariat, we traced the more or less veiled civil war, raging within existing society, up to the point where that war breaks out into open revolution, and where the violent overthrow of the bourgeoisie lays the foundation for the sway of the proletariat.

7.4 Marx's Plan of Action

After the revolution by the working class, the proletariat would be raised to the position of ruling class to win the battle of democracy, to centralise all instruments of production in the hand of the state, to increase the total productive forces as rapidly as possible, to entirely revolutionise the mode of production. He suggested the following measures:

- i) Abolition of private property in land and application of all rents of land to public purpose.
- ii) A heavy progressive or graduated income tax.
- iii) Abolition of all rights of inheritance.
- iv) Confiscation of the property of all emigrants and rebels.
- v) Centralisation of credit in the hands of the State, by means of a national bank with State capital and an exclusive monopoly.
- vi) Centralisation of the means of communication and transport in the hands of the state.
- vii) Extension of factories and instruments of production owned by the State; the bringing into cultivation of waste-land, and the improvement of the soil generally in accordance with a common plan.
- viii) Equal liability of all to labour. Establishment of industrial armies, especially for agriculture.
- ix) Combination of agriculture with manufacturing industries; gradual abolition of the distinction between town and country, by a more equable distribution of the population over the country.
- x) Free education for all children in public schools. Abolition of children's factory labour in its present form. Combination of education with industrial production.

Reflection and Action 7.1

What are the major features of capitalism according to Marx?

7.5 Marx and Historical-Sociological Perspective

Historical analysis can develop a critical approach to the study of the past, present, and future. It can illuminate the varieties of cultural and social diversity that have existed, and show how changes in these have occurred. Many historical approaches in sociology have assumed that history is associated with human progress and reaching higher stages of development of society – Marxian theories and liberal theories of modernisation generally adopt this approach. But historical approaches to sociology need not make this assumption and can consider human experience to have many forms of diversity, society to have made great progress in some areas and little in others, and to consider the possibility of regression rather than progression.

It would be best to adopt a historical approach that does not consider human history to have a particular direction or to necessarily evolve to more progressive forms of social organisation. Further, there may be no inevitability or purpose to historical change — change certainly occurs but is a product of myriad influences, some intended and others unintended, with coincidence and chance along with intersection of various unforeseen social circumstances and forces. There are certainly social forces leading in specific directions (markets, exchange) and powerful individuals and groups attempting to further their influence and power, but people in the social world can also change these social forces. For example, some contemporary analysis assumes that globalisation, standardisation, and the decline of the nation-state are dominant forces that have a certain inevitability. While there is no doubt that these forces are strong, there are other aspects such as traditional cultures, resistance to change, local grounding, and communication and discussion (as highlighted by Habermas and others) that must be considered as well.

Writers in the nineteenth century often adopted a view that human history passed through various identifiable stages. The sociology of Comte with focus on the theological, metaphysical, scientific stage of society and the analysis of Enlightenment writers tended to assume that human history has gone through various stages of development, with each of the stages at a higher level than earlier stages. The Enlightenment thinkers assumed that the stage that had been reached at the time they were writing was an advance over earlier stages, in that humans had developed a better understanding of the world and could now improve the social world. The view that the stages of history represented progress is reflected in concepts such as primitive and backward to refer to traditional forms, and civilisation and modern to refer to the European societies of the nineteenth century.

Marx and Engels, and later writers in the Marxian stream have generally adopted a similar view and developed a historical analysis as a major part of their analysis. For Marx, the modes of production were historical in nature, with each representing a particular stage of historical evolution, and containing forces for change, but also being limited in form. Thus markets and cities emerged in feudal society, but the power of these emergent social forces required change in the mode of production. As a result, the forces of the bourgeoisie and capitalism broke the power of feudal forms of social and economic organisation, creating a new society in the nineteenth century. For Marx, each mode of production is historical in nature, having emerged at a particular time, but also having an historical dynamic built into it. Marxian analysis is thus essentially historical in content and form. While it is theoretical, the concepts and models of Marxian analysis are simultaneously historical and theoretical.

There had been several criticisms against this Marxian model of development. Let us look into some of them here.

References

Marx has forecasted the disappearance of the State after the successful implementation of the programme of action by the dictatorship of the proletariat. However, historical experiences show that, the state System has not only got reinforced, it has at times taken an oppressive form.

Again it is a fact that centralised planning can't be implemented without well-organised State mechanism. Thus Marx's idea of the State withering away remains in essence contradictory both in terms of historical experiences and execution of centralised planning.

It is assumed that the dictatorship of the proletariat would usher in an era of classless society. However after the seizure of state power, not the proletariat, but the political elites occupy the power. Ownership of power is an important dimension of defining social class. Indeed here new political classes emerge with a few occupying the power position, while the vast majority being the powerless.

Marx has generalised the idea related to class formation, class transformation and the role of the economic structure in determining the course of history. Marx has defined social collectivities or group in terms of the economy. Here "class" has been seen as the sole agent to bring change in society through revolution. However, the significance of nationality, ethnicity, race, gender, caste, estate, etc. within these collectives are grossly ignored. Indeed Marx has defined all social relations and conflicts in terms of class relations and conflicts by ignoring the social and historical roles played by these collectives in various societies.

The Marxian idea of capitalism has not taken into cognisance the advancement of new technological inputs and new employer-employee relationship in the changing world. Many of the aspects are covered in the theory of modernisation and the critical theory. The process of advancement of capitalism may also follow the path of rationalisation of religious thoughts as depicted in Protestant ethics, highlighted by Max Weber.

Reflection and Acton 7.2

Write a critique of the Marx's perspective on development.

Karl Marx's core idea on development was furthered by several school's of Marxian approach. In the following section we shall be presenting a glimpse of Neo-Marxian approach.

7.6 Neo-Marxian Approach: World-Systems Analysis

One of the primary historical-sociological perspectives is that of the world-systems analysis, a neo-Marxian approach built around analyses of modes of production. This approach developed from an analysis of the economic and material world, specifically capitalism as it emerged and developed in Europe beginning in the 1500s. The world-systems analysis generally argues that this new economic and social system broke the power of earlier political and economic empires and systems, and developed towards a dominant world system. While originating in Europe, the world system that has emerged over the last five hundred years is without limits and extends for its reach throughout the globe. In contrast to some Marxian approaches, this world system is not always progressive in its effects, it encompasses a variety of modes of production, and could ultimately be replaced by a socialist world system.

The world-systems analysis was developed by Immanuel Wallerstein (1930-) who has been a professor at Columbia University, McGill University, and currently the State University of New York at Binghamton. Wallerstein is best known for his *The Modern World-System*, published in 1974. In this work he analyses the origins of the modern system, beginning around 1500, where there began a shift from political and military forms of dominance to economic influences and power. In later volumes, Wallerstein traces the development of this new system, showing how it is creating core, periphery, and semi-periphery regions of the world. While political structures are connected to economic ones, Wallerstein argues that a variety of political structures are compatible with the capitalist world system.

The world-systems theory abandons national economies and the nation state as the unit of analysis. Marxian theory generally works within the framework of national social structures, with a capitalist and a working class being rooted in the organisation of production and distribution on a national scale. The world-systems theory considers the division of labour, exploitation, and inequality on a world rather than a national level. That is, capitalism is not just organised on a national level, it develops and uses resources, labour, production, and markets on a world scale.

The development of Canada could easily be interpreted within a world-systems approach. European expansion led to the development of Atlantic fisheries to supply food for Europe. Later the development of the fur trade made Canada supply furs for European consumption. These were connected to the development of industry and consumer markets in Europe – with an emerging bourgeoisie and working class. The development of trade and European expansion across North America destroyed many of the aboriginal economies that existed earlier. Agricultural and industrial changes in Europe led to export of dispossessed and poor Europeans to settle in North America. Forest, mining, and agricultural products were exported to Europe, thereby assisting in the growth of European and North American capitalism. While some areas benefited, others became disadvantaged as a result of these developments. Social and class structures have a connection to this international division of labour and the forms of development of production and markets on a world scale.

In world-systems analysis there are three types of regions. The **core areas** of the world system are the wealthy countries of Europe and North America that dominate and exploit much of the rest of the world. These countries tend to have relatively free labour markets with relatively well paid skilled workers. In contrast, the **periphery** is poor and exploited, exporting raw materials to the core economies. Conditions for workers in the periphery tend to be very poor, and workers in these countries are often coerced through slavery or threat of starvation. The core countries benefit by maintaining the peripheral countries in a backward state.

Semi-peripheral countries combine aspects of the core and periphery, being exploited and exploiting. Examples might include some of the poorer parts of Europe (Portugal or Greece) or some of the better off South American countries such as Argentina. The key to the division, however, is not so much the countries but the position any area occupies within the international division of labour. For example, there may be peripheral areas of core countries (some parts of northern Saskatchewan or the Maritimes) and core areas in primarily peripheral countries.

7.7 Implications of World-System Analysis

In terms of sociological analysis, there appear to be at least three implications of the world-systems analysis.

- a) **Expansion:** Unlike earlier empires, which had limits to expansion prescribed by the ability to politically govern a wide area, there appears to be little limit to the capitalist world system, especially today. It has expanded over the last five hundred years and shows no signs of ending the domination of the world economy. Wallerstein argues that this is one difference of the current world system from earlier ones – there was a decisive break around the period 1500, whereby capitalism, technology, and science combined to create an expansive and global system.
- b) **International scope:** Social structure has an international basis. Any analysis of the social structure must consider the international aspect of this. That is, the particular place any group occupies in an international division of labour may be more important than the seeming place within the national economy and society.
- c) **Difference and Inequality:** In contrast to theories of modernisation or globalisation that argue that there may be a single, more uniform world in the future, the thrust of world-systems analysis is that continued inequalities and backwardness are furthered at the same time that wealth and progress occur in the core. This world system does not require similar culture, politics, or even modes of production in different regions. Rather, the capitalist world system can accommodate many different political forms (democracy, totalitarianism, monarchies, military rule) and different forms of production (slavery, semi-feudal forms of large estates and impoverished peasants, market-oriented agriculture). While the economic power of capitalism makes its effects felt on a world wide scale, this system creates wealth in some places and takes wealth away from others. As a result, poverty and inequality are essential aspects of such a system. This creates strains and can lead to redistribution of power and wealth on a world wide scale.
- d) **Study of Change:** The world-systems analysis provides a useful way of examining changes that have occurred and continue to occur across the globe. For example, the migration of large numbers of people from poor to richer countries is a result of the developments on the world system – destroying traditional ways of life and livelihood in the sending countries and filling labour supply needs in receiving countries. At the same time, this approach may be overly economic in much the same manner as much Marxian analysis. That is, the world-systems analysis does not pay much attention to culture and does not appear to consider it as an independent aspect. Further, the assumption of dominance of European and North American capitalist forces may be somewhat ethnocentric.

Reflection and Action 7.3

What is the essence of the World-system theory? How is it significant in exploring development in contemporary society?

7.8 Critical Theory: Frankfurt School

Critical theory has different meanings for different writers. As critique it is usually considered to be a critique of modernity and the developments and institutions associated with modern society. It can also be a critique of particular schools of thought within sociology, or of sociology and social science as a whole. A large part of critical theory has been to critique art and culture, in particular the consumer culture, advertising, the media, and other forms of popular culture. Some of the arguments in Giddens *Dilemmas of the Self*, such as the evaporated self and commodified experience, are very similar to critical theory. In fact, it is in the sphere of culture that critical theory continues to be relevant and innovative.

Marxism is one form of critical theory, since Marxism provides a critique of capitalism and modernism. The Marxism of many communist parties and established socialist societies is generally not regarded as critical theory – it is rather Marxist theories that attempt to show the shortcomings of existing society and institutions that are considered critical theories. Kellner (1989: 3) notes:

Critical Theory has been deeply concerned with the fate of modernity, and has offered systematic and comprehensive theories of the trajectory of modernity, combined with critical diagnoses of some of the latter's limitations, pathologies and destructive effects – while providing defences of some of its progressive elements.

In Kellner's view, critical theory has generally been committed to the idea of modernity and progress, while at the same time noting the ways that features of modernity can create problems for individuals and society.

Critical theory is usually more closely associated with a group of theorists called the Frankfurt school. It were German Marxist theorists such as Benjamin, Horkheimer, Adorno, Fromm, Marcuse and, more recently, Habermas and Offe, who usually identified as establishing and developing a critical theory of modern society. Others, such as the Hungarian Marxist Lukacs, and some contemporary North Americans, most notably Calhoun and Kellner, are also considered to be critical theorists. It will be primarily this tradition that will be examined in this section.

Box 7.1: Post Modern vs Critical Theory

Note that critical theory differs from post-modern approaches to social theory. Theorists in the latter perspective tend to argue that modernity has ended, or that modernity must be rejected in its totality. Post-modernists may even reject social theory and political practice whereas critical theorists tend to theorise extensively and some argue that politics can be used to pursue progress. Critical theorists generally tend to have a comprehensive and overall social theory and an idea of progress and a better world, even if they are unable to find ways of getting there. In contrast, a post-modern approach is more likely to be associated with rejection of comprehensive, universal theory.

a) Historical Background

When critical theory is mentioned in connection with social theory, it is usually associated with what is called the “Frankfurt School.” The Institute had begun in 1923, with a financial endowment from a wealthy German grain merchant, and was attached to Frankfurt University in Germany. German universities had been quite conservative, but with the political turmoil following World War I, new ideas developed and were influential within the universities. For a time, many Marxists thought that Germany would become socialist, following the Russian revolution. When this proved unlikely to occur, some of the intellectuals attracted to Marxism argued that Marxist-oriented research was necessary to re-examine Marxist theory in the light of the changes that had occurred in Europe. In particular, some of these Marxists considered that while the objective conditions for socialism existed, the subjective consciousness of workers was not conducive to overthrow capitalism and creating socialism. In particular, “revolutionary consciousness, culture and organisation and a clear notion of socialism seemed to be lacking.” As a result, it was necessary to reconsider various aspects of Marxism and focus on “consciousness, subjectivity, culture, ideology and the concept of socialism ... in order to make possible radical political change” (Kellner 1989: 12).

The Institute began its work in Germany and continued through 1933, when the Nazis came to power. Most of those who were members of the Institute went to the United States at that time, with some like Marcuse staying there,

while others returned to Germany after World War II. The Institute was established in New York City and became affiliated with Columbia University and it was there that the term “critical theory” became associated with the Institute. After World War II, the Institute was re-established in Germany and continues to operate there. Following the death of Horkheimer and Adorno, Jurgen Habermas became the leading critical theorist, a position he continues to hold.

The periods of a few major critical theorists:

Walter Benjamin (1892-1940)

Max Horkheimer (1895-1973)

Theodor Adorno (1903-1969)

Erich Fromm (1900-1980)

Herbert Marcuse (1898-1979)

Jurgen Habermas (1929-)

Let us now look at the features of Frankfurt school and how it can put as an extension of Marxist thought.

b) **Materialism and Idealism**

Critical theory is thus primarily a European social theory, influenced by the German tradition of Marx and Weber and by the experience of fascism, but also by the changing aspects of modern capitalism. Critical theory began by putting Marxian political economy at the centre of analysis, and thus the early critical theory was materialist and committed to socialism. One of the major features of this perspective was that all of social life is a reflection of the economic system and the role of social theory was to investigate the ways in which this changed and affected people. “Rather, critical theory describes the complex set of ‘mediations’ that interconnect consciousness and society, culture and economy, state and citizens” (Kellner 1990: 3, 4).

Critical theory thus developed an approach which incorporated both the economic and material, and an analysis of individuals and their social psychology, attempting to deal with aspects of what we might refer to as the agency-structure issues today. But neither the material nor consciousness was primary in determining the other. Rather, these theorists paid much attention to culture, law, ethics, fashion, public opinion, sport, life style, and leisure (Kellner 1989: 18), topics which had not previously been incorporated into Marxian analysis. Calhoun notes how “Marx shared with the young Hegel an attempt to conceptualise the absolute creativity of the human being through the example of art, but unlike Hegel he extended this into a more general analysis of labour” (Ibid 441). The Frankfurt school theorists took up this challenge once again and made art and aesthetics a central feature of their analysis.

c) **Supradisciplinary**

Critical theorists are critical of Marxism when it is mechanically materialist or too determinist. They were especially critical of branches of philosophy, especially positivism and scientific methods associated with it. They are also critical of sociology and other social sciences for being insufficiently critical and having only partial analyses. They thus set very high standards for social science, ones that they themselves were ultimately unable to meet.

Given that the initial concern of these theorists was to understand the reason why class consciousness had not developed among the working class, their first project was to conduct an empirical study of the white-collar working class in Germany, to obtain information concerning their psychological, social, and political attitudes and combine this with theoretical ideas from the various

social sciences (Kellner 1989: 19). The findings of this study were that “the actual revolutionary potential of the German working class was less than what usually assumed, and that, while the workers might resist a fascist attempt to take over the government, it was unlikely that they would undertake the sacrifices necessary for a socialist revolution” (Ibid: 20). While this approach provided interesting results, it is not clear that in studies of this type, the approach of these critical theorists differed all that much from some of the conventional social science approaches.

d) Commodity Exchange

Beginning with commodity and commodity production as the key feature of capitalist society, they argued that capitalist market relations and values were penetrating ever more areas of life. Exchange was becoming the primary way in which people related to and interacted with each other in a capitalist market society. Consequently reification — the turning of humans, culture, nature and everything else into commodities whose fundamental substance was exchange value — came to dominate relationships and activity within the capitalist society (Ibid: 53).

That is, rather than human relationships between individuals, exchange relationships come to dominate inter-personal relationships. Marx had noted this; but this line of thought was much further developed by the critical theorists. They looked on capitalism in the twentieth century as extending this to many aspects of society previously untouched or relatively unaffected by exchange relations. They saw aspects of personal life such as love, friendship, and the family being reduced to such form of exchange. Consumption became organised by such forces as well, so that there were increasingly “oppressive uniformities and identities”. The concern was with rising sameness and conformity in society that did not let underlying tensions and contradictions to surface and be amenable to public attention and action (Calhoun 2002). They viewed such forces as stifling individuality and particularity and producing a certain sameness among all members of society. This aspect of capitalism has developed much more than in the 1920s and 30s, so that this part of their critique certainly has an important resonance in today’s economy, media and society. Consumer and media capitalism have vastly extended their reach into all aspects of the consumer society and life in general, and a critical approach to contemporary society can benefit from and use the ideas developed by these critical theorists.

e) Administered Society

A major feature of the political sociology of critical theory is the notion of an administered society. Weber had argued that forces of rationality and rationalisation were becoming increasingly dominant in western society. Rather than traditional or charismatic forces being dominant in social organisation, Weber argued that calculation, accounting, considered decision-making, and guided social action by careful examination of how means could be used to accomplish particular ends were forms that had become more forceful in western society. These forces are clearest in economics, business, and formal organisations, but Weber argued that these same forces made their effects felt in politics, education, and even the arts.

Critical theorists added these ideas of Weber on bureaucracy, rationalisation, and administration to the Marxian ideas of exchange and commodification. While Marx was primarily concerned with the economic sphere, the critical theorists extended their analysis to the political and social sphere, combining the ideas of exchange and administered society. The result was a view that capitalism and the society associated with it “was a totalising system which attempted to penetrate every area of life from self-constitution to interpersonal relations to education.” These totalising processes were leading to the destruction of “individuality and particularity” (Kellner 1989: 54).

One form this took was an economic analysis which argued that capitalism had been transformed from uncontrolled and relatively free markets to a form of state capitalism. While Marx and some earlier economists may have foreseen some aspects of this, they did not foresee the manner in which the state would intervene in the economic sphere. Friedrich Pollock, one of the economists associated with the Frankfurt School, developed a model of state capitalism, whereby “the state acquires power over money and credit, and regulates production and prices. Furthermore, management becomes separate from ownership” (Ibid: 60-61). While these critical theorists may have overestimated the role of the state in economics, and underestimated the vibrancy of capitalism as an economic system, theories of this sort have contributed to our understanding of capitalism and how it evolves. There is a strong political aspect to the economic sphere and many aspects of the economy are administered.

f) **Totalising Societies**

An important part of critical theory is related to their critique of totality and totalising forces. They were always opposed to any form of totalitarianism, whether it was the totalitarian society of fascism in Germany or the totalising form of administered socialism in the Soviet Union. Their arguments here make sense given the system that emerged in Nazi Germany and in the Soviet Union, where the structures to “control more and more aspects of life” (Kellner 1989: 54) were established and acquired great power. Totalitarian here could mean any system which attempts to govern many or all aspects of social life.

Since the critical theorists came from, were living in, and were affected by the fascist form of political and social organisation, it is no surprise that they developed a model of this totalitarian system. Their intimate knowledge of this system and their later observation of it from exile in the United States each provided them with useful insights concerning the nature of totality. Critical theorists looked on fascism as a new form of monopoly or state capitalism, whereby “the state assumed functions previously carried out by a market economy and thus became the primary arbitrator of socio-economic development” (Ibid 1989: 67). They looked on this system as a result of political and economic disorder, a system that capitalism developed to survive in the face of challenges from the working class and its own inability to govern itself. This was then a new phase of capitalism, “a new synthesis of monopoly capitalism and the totalitarian state which threatens to dominate the world and to eliminate its opponents and all vestiges of the earlier forms of liberal economy and politics” (Ibid 1989: 67).

Attractive as this analysis was, this prediction turned out to be incorrect and capitalism has taken a different form, perhaps totalising, but in a different manner. However, the experience of the critical theorists with fascism and totalitarianism helped shape their later analysis. In particular, they focus on the ways such a political-economic system achieves a rational, efficient form of production, but eliminates alternatives and debate over them. The reading from Marcuse will show how he interpreted and developed these ideas of totality and administered society as applying to societies that are normally considered more democratic and liberal.

An additional aspect of the discussion is the relative autonomy of the political and the economic spheres. Marxists tended to argue that the state and political forces operate in the interest of the owners of capital. Some of the arguments of the critical theorists questioned this, pointing out that the political sphere sometimes was dominant, and the interests of the administered, totalitarian society might dominate the economic in some aspects.

Another aspect of the analysis of such a system was the “socio-psychological analysis of the cultural roots of fascism in attitudes towards the family and

authority” (Ibid: 66). For Marxists, this was a new direction for social analysis to take and Erich Fromm, one of the key critical theorists, incorporated Freudian and other psychoanalytic theories into the social theory of the Frankfurt School.

g) Individual and Human Nature

For the Frankfurt theorists, human nature was related to the historical conditions in which it emerged. Humans beings are creative, but their creativity gets dominated by certain conditions under capitalism that appear to be natural and immutable. The critical theorists argued with the model of the absolute individual consciousness and identity that characterised the era of enlightenment, and liberal thought gave legitimate place to individuals’ subjectivity and their relationships with others. In addition to identity, non-identity and multiple involvements of the individual meant that self-identity took many different forms. It was in this that the individual can develop creativity and reach beyond an unchanging individual identity. If society allowed the individual to explore and critique different ideas and situations, this would allow the individual to be free. But more and more the increased sameness and uniformity of society is forced on individuals and prevents this freedom from occurring.

Calhoun notes that critical theorists looked on essential human characteristics as crucial for the pursuit of happiness, the need for solidarity with others, and natural sympathies. These, of course, were developed in particular ways in each specific form of social organisation, since people are products of the historical conditions in which they live. But they connect a critical form of reason to this, with Horkheimer arguing that “a form of reason implicitly critical of civilisation” is part of human nature. The problem is that administered and totalising societies attempt to stifle and constrain this and channel it in particular directions. Erich Fromm argued that there is an essential human nature that is “repressed and distorted by capitalist patterns of domination”.

Erich Fromm’s contribution to critical theory involved an analysis of the individual, the family, sexual repression, the economy, and the social context of the individual. His writings outline one way in which the work of Freud and Marx can be integrated. Fromm argues that there are basic instincts of motive forces for human behaviour, but that these are adapted, both actively and passively, to social reality. For Fromm, “psychoanalysis ... seeks to discover the hidden sources of the obviously irrational behaviour patterns in societal life – in religion, custom, politics, and education” (Kellner 1989: 37). In this way, he combined social psychological approaches with the materialism of Marx, that is, synthesising the instinctual, psychological forces in humans with the effects of economic and material forces on human life.

For Fromm, the nuclear family as it exists in capitalist society is key to understanding the connections between these. That is, the individual is raised in a family, and the family stamps a specific part of the social structure on the child. This is the manner in which “society reproduces its class structure and imposes its ideologies and practices on individuals” (Ibid). While individuals growing up in a different society would develop differently, the particular effects of modernity create forms of domination and inner struggles in each individual. Forms of social behaviour such as submissiveness and powerlessness become part of the self in these circumstances.

In contrast to Marxian theories, critical theorists made analysis of art and culture a central focus of their studies, and noted developments in culture that were not purely economic in origin. Rather, the dialectic of enlightenment was used as critique of culture. Kellner (1989: 121) notes that they argued:

Culture, once a refuge of beauty and truth, was falling prey, they believed, to tendencies towards rationalization, standardization and conformity, which they saw as a consequence of the triumph of instrumental rationality that was coming to pervade and structure ever more aspects of life. Thus while culture once cultivated individuality, it was now promoting conformity and was a crucial part of the “totally administered society” that was producing “the end of the individual.

For the most part, critical theorists developed critiques of mass or popular culture. For example, Adorno “criticized popular music production for its commodification, rationalization, fetishism and reification of musical materials” (Ibid: 124). In particular, Adorno attacked jazz as being standardised and commercialised, arguing that “seeming spontaneity and improvisation are themselves calculated in advance, and the range of what is permissible is as circumscribed as in clothes or other realms of fashion” (Ibid 1989: 126). While Adorno’s critique has some truth to it, he is unable to explain innovation and new developments using this one-sided approach. Adorno tended to look on traditional forms of “high culture” such as the art of art galleries or the music of German composers as more authentic and creative than were forms of popular culture. In my view, Adorno adopted a very elitist approach to culture, one that would lead to limiting accessibility to and understanding of culture by large parts of the population.

Walter Benjamin, one of the individuals associated with the Institute, disagreed with Adorno and argued that there were not such dramatic differences between high culture and popular culture. Benjamin was interested in the copy, the mechanical reproduction of artistic images, a relatively new development in the early part of the twentieth century. While Benjamin regarded the copy as questioning the authenticity of the original work of art and the aura and aesthetic quality of the work of art, he also argued that: “For the first time in world history, mechanical reproduction emancipates the work of art from its parasitical dependence on ritual. To an even greater degree the work of art reproduced becomes the work of art designed for reproducibility” (Ibid: 124).

Benjamin considered these to be progressive features of this new development, with the new forms becoming more accessible to more people, becoming more politicised, and possibly leading the situation where many images could be brought to the masses could raise political consciousness. This was particularly the case with film where Benjamin is somewhat reminiscent of Simmel.

Reflection and Action 7.3

Explain the major contribution of critical theory in evaluating Marxian perspective on development.

7.9 Conclusion

This unit has dealt with the central Marxian idea on development. Marx has tried to explain development in terms of progression of society from various stages that is tribal, asiatic, ancient, feudal and capalist. He has visualised conflict inbuilt in the material condition of existence to be the core factor in development. To carry forward this conflict he has identified the agency of social class as the main vehicle of class conflict. In this unit we have explained all these facets of development as formulated by Karl Marx. The Marxian plans of action and thought, the limitations of his scheme of thought are discussed in this unit. We have also discussed neo-Marxian approaches to development with special reference to dependency theory and critical theory on Marxism after Marx.

7.10 Further Reading

Benjamin, Walter 2000. *The Work of Art in the Age of Mechanical Reproduction*. http://pixels.filmtv.ucla.edu/gallery/web/julian_scaff/benjamin/benjamin.html

Braaten, Jane 1991. *Habermas's Critical Theory of Society*. State University of New York Press: Albany

Farganis, James 1996. *Readings in Social Theory: The Classic Tradition to Post-Modernism*. McGraw-Hill: New York

Kellner, Douglas 1989 *Critical Theory, Marxism and Modernity*. Polity Press: Oxford

Kellner, Douglas 1990. *Critical Theory and the Crisis of Social Theory*. from *Illuminations* <http://www.uta.edu/huma/illuminations/kell5.htm>

Kellner, Douglas 1995. *Media Culture: Cultural studies, Identity and Politics Between the Modern and the Postmodern*. Routledge: London and New York



Unit 8

References

Gandhian Perspective on Development

Contents

- 8.1 Introduction
- 8.2 Khadi and Village Industries
- 8.3 Education
- 8.4 Economic Progress and 'Real Progress'
- 8.5 *Swadeshi*
- 8.6 Alternative Viewpoint
- 8.7 Conclusion
- 8.8 Further Reading

Learning Objectives

After going through this unit, you will be able to explain:

- Gandhian concept of development;
- the importance of indigenous technology in the process of development; and
- the difference between material progress and meaningful development from Gandhian perspective.

8.1 Introduction

Gandhian perspective on development is distinct on two counts. It prioritises (i) self-development over material prosperity; and (ii) development of villages, rural industries and working at the grass roots over modern machinery, technology and mills. Gandhi toured the entire country extensively using different modes of transport ranging from bullock carts to trucks. He is also known for traveling long distances on foot. Thousands of people would collect to hear him or even to get a glimpse of him. Most of his endeavours were geared towards social and economic uplift of the downtrodden, the poor and the helpless.

In this unit, we will begin with Gandhi's ideas about machinery in a general sense and khadi and village industries in a specific sense. We then move on to the concept of education and what meaningful education should consist of. This leads us to the concept of material progress and development. Gandhi makes a distinction between material progress and "real progress". For him "real progress" is rooted in *swadeshi*. It may be understood that machinery, education, and economic uplift are the core issues of development. We end with an alternative viewpoint, which questions Gandhian perspective of development.

8.2 Khadi and Village Industries

Gandhi firmly believed that the essence of *swadeshi* consisted in producing enough cloth to wrap each Indian, which would be possible through spinning and weaving by the masses. The people needed to pledge themselves to the use of *swadeshi* cloth only. He added that the use of Khadi cloth for covering the body has greater implications. In his own words, "Khadi must be taken with all its implications. It means a wholesale *Swadeshi* mentality, a determination to find all the necessities of life in India and that too through the labour and intellect of the villagers. That means a reversal of the existing process. That is to say that, instead of half a dozen cities of India and Great

Britain living on the exploitation and the ruin of the 7,00,000 villages of India, the latter will be largely self-contained, and will voluntarily serve the cities of India and even the outside world in so far as it benefits both the parties” (Gandhi 1968: 289).

The potential to produce khadi lying at the fingertips of an individual makes him/ her empowered and proud of the identity. For Gandhi, khadi was a means of uniting the Indians, of acquiring economic freedom and equality. More importantly, khadi marked the decentralisation of production and distribution of the “necessaries of life”.

Box 8.1: The Spinning Wheel

“If we feel for the starving masses of India, we must introduce the spinning wheel into their homes. We must, therefore, become experts and in order to make them realise the necessity of it, we must spin daily as a sacrament. If you have understood the secret of the spinning wheel, if you realise that it is a symbol of love of mankind, you will engage in no other outward activity. If many people do not follow you, you have more leisure for spinning, carding or weaving” (Gandhi 1968: 336).

The spinning wheel was a means of the economic upliftment of the poor and the despised on the one hand, while on the other it afforded considerable appeal on moral and spiritual grounds. The towns in the country that had flourished at the expense of the villages now had the opportunity to compensate the villages by buying cloth, which was spun and woven in the villages. This initiative went a long way in knitting economic and sentimental ties between people in the villages and in the towns. The spinning wheel became the centre of rural development. Anti-malaria campaigns, improvement in sanitation, settlement of disputes in villages and several other endeavours for enhancement of the quality of life in villages revolved around, in one way or the other, the spinning wheel. It provided an alternative means of livelihood to the underemployed and the unemployed people. For Gandhi, its adoption by the common people marked the protest against industrialism and materialism (Nanda 1958).

More importantly, the use of khadi reflected the faith and commitment of the masses to the practice of obtaining the necessities of life through the labour and intellect of the villagers. This marked the empowerment of the people in villages by making them self-sufficient and generating the confidence and the potential in them to overthrow their exploitation by the city dwellers. The use of khadi also ushered in the process of decentralisation of production and distribution of the basic necessities of life. Gandhi urged congressmen to promote khadi rigorously.

Gandhi said that other village industries stand apart from khadi primarily because they do not involve voluntary labour in large numbers. These industries may continue as a “handmaid of khadi” but they cannot exist without khadi. It may, however, be added that Gandhi did agree that the village economy could not be complete without the operation of village industries — those of hand-grinding, hand-pounding, soap-making, paper-making, tanning, oil-pressing and others of this kind. What lay at the core of this thought was the urge to make the villages self-sufficient.

He maintained that impoverisation of India was inseparably linked with the increasing use of machinery. He noted that hand weaving as an occupation continued to thrive well in Bengal and other places where cloth mills were not established. On the contrary, the condition of workers, particularly that of women workers, was deplorable in Bombay (present-day Mumbai) and other cities where mills were set up. As a corollary, a boycott of machine-made

goods in favour of hand-made goods would infuse new life in the social and economic condition of the country. He added that since it was not easy to close down the established, functioning mills, it was appropriate to register resistance and protest at the time they were being set up. He was deeply convinced about the ability of the village people when he argued that no machinery in the world was a match for the willing hands and feet of the village people and of course the few simple wooden instruments that they make themselves. Gandhi was convinced that agriculture did not need revolutionary changes. The Indian peasant required the introduction of the spinning wheel, not the hand loom. This was because the handloom could be introduced in every home unlike the handloom. The restoration of the spinning-wheel would solve the economic problems of India at a stroke.

The All-India Village Industries Association (with headquarters at Maganwadi) supported those industries in villages that did not require help from outside the village and could be run with little capital. It was hoped that such industries in the villages would generate employment and purchasing power in the villages. Interestingly, the Association took upon itself the responsibility of training village workers. It published its own periodical, the *Gram Udyog Patrika* (Nanda 1958).

Reflection and Action 8.1

What is the importance of the spinning wheel in Gandhi's scheme of development?

8.3 Education

Gandhi firmly believed that basic education was an important means to develop the body and the mind. This stood out in sharp contrast to the common understanding of the concept and function of education as knowledge of letters, and of reading, writing and arithmetic as the basic constituents of primary education. He said that there was a need to improve all our languages. India should adopt Hindi as the universal language for the country with the option of writing it in Persian or Nagari characters. Further, the English books that are indeed valuable need to be translated into different Indian languages.

Box 8.2: Gandhi on Religious Education

"My head begins to turn as I think of religious education. Our religious teachers are hypocritical and selfish; they will have to be approached. The *Mullas*, the *Dasturs* and the Brahmins hold the key in their hands, but if they will not have good sense, the energy that we have derived from English education will have to be devoted to religious education. This is not very difficult" (Gandhi 1968: 155).

Gandhi was convinced that excessive emphasis on English education would enslave the nation. He was sure that those who have received education through a foreign tongue could not represent the masses because the people do not identify themselves with such persons. In fact, they are identified more with the British than with the masses. It is commonly believed that people educated in the foreign tongue are not able to understand the aspirations of the masses, and therefore cannot speak on their behalf. On the contrary, instruction imparted in vernaculars leads to enrichment. Gandhi went to the extent of saying that the problems of village sanitation and others would have been resolved long ago and the village panchayats would have been a living fore suited to the requirements of self-governance. He did accept, however, that it was not indeed possible to do without English education altogether, at the same time adding that all those who have studied English needed to teach morality to their children through the mother tongue. Those who confine themselves to education in foreign languages undergo

strain and often commit themselves to imitating the west. This has far-reaching results on both, the body and the mind. Ideally, the school should be an extension of the home, which means that there should be no gulf between the impressions which the children gather at home, and those in the school. What he was asking for was continuity in terms of the social environment and value system at home and in the school.

For Gandhi, education did not imply spiritual knowledge or spiritual liberation after death. In essence, knowledge consists of all that is imperative for the service of the humankind; and for liberation, which means freedom from enslavement to domination and from the ambit of one’s own created needs. Education, therefore, has to be geared in this direction. According to Gandhi, our ancient system of schooling and the education imparted in those schools was enough because character building was accorded the importance it deserves. For Gandhi, character building was basic in any educational system.

The basic objective of meaningful education was to generate the potential in children to create a new world order. This, Gandhi felt, was possible by way of engaging in socially useful labour, i.e., labour in the service of welfare of humankind. The idea formed the basis of his *nai-talim*, which was conceptualised in a way that would involve a harmonious development of the body, mind and soul. The process incorporated involvement in craft and industry as a medium of education. The hub of his ideas on education rested on the mission to place learning of a craft at the centre of the teaching programme whereby, spinning, weaving, leather-work, pottery, metal-work, basket-making, book-binding and other such activities that were often associated with the lower caste people or ‘untouchables’ were performed by upper caste pupils and literacy and acquisition of knowledge which were the prerogative of the upper caste people were available to the ‘untouchables’. He wanted the schools to be self-supporting or else providing education to all the children would never become a reality. Further, financial independence would bring with it freedom from intervention by politicians and political parties.

The issue of adult education was crucial to Gandhi. Through adult education he envisaged to open the minds of the adult pupils to the greatness and the vastness of the country and to generate awareness about the ills of foreign rule by word of mouth. It was widely realised that several villages were ignorant of the evils of foreign rule and of the means to overthrow it. He sought to combine education through word of mouth with literary education.

8.4 Economic Progress and ‘Real Progress’

In a speech delivered on December 22, 1918, at the Muir College Economics Society, Allahabad, Gandhi candidly addressed the question, “Does economic progress clash with real progress?” Economic progress largely refers to material growth and advancement, often without a ceiling.

What is commonly argued in favour of material growth is the necessity of providing for the daily wants of people much before thinking or talking about their moral welfare. Moral progress is wrongly believed to come along with material progress. There is no denying that the requisites for survival are food, clothing and shelter but for this, there was no need to look up to economics or its laws.

Box 8.3: Gandhi on Material Progress

I should not have laboured my point as I have done, if I did not believe that in so far as we have made the modern materialistic craze our goal, in so far as we are going downhill in the path of progress. Hence the ancient ideal has been limitation of activities promoting wealth. This does not put an end to all material ambition. We should still have, as we have had, in our midst people who make

the pursuit of wealth their aim in life. But we have always recognised that it is a fall from the ideal. It is a beautiful thing to know that the wealthiest among us often own that to have remained voluntarily poor would have been a higher state for them. “You cannot serve God and Mammon is an economic truth of the highest value. We have to make our choice. Western nations are groaning under the heels of the monster—God of materialism. Their moral growth has become stunted. They today measure their progress in pounds, shillings, and pence. American wealth has become the standard. She is the envy of other nations. I have heard many of our countrymen say that we will gain American wealth but avoid its methods. I venture to suggest that such an attempt, if it were made, is foredoomed to failure. We cannot be wise, temperate and furious in a moment. I would have our leaders to teach us to be morally supreme in the world” (Tendulkar 1982: 196).

He firmly believed that working for economic equality called for abolishing the conflict between capital and labour. In operational terms, this means bridging the wide gulf between the rich and the poor, the haves and the have-nots. Gandhi adhered to the doctrine of trusteeship.

Unemployment and underemployment in villages were because of acute pressure on land and absence of supplementary industries. He realised that the decay of the village industries tightened the noose of poverty around the neck of *Harijans*. Removal of untouchability and economic amelioration, therefore, were inextricably entwined with each other. Against this backdrop, *swadeshi* acquired new urgency. He asserted that it was not enough that an article of use was being made in the country, it was important that the article was made in the village. He explained that some articles produced in villages might cost more than those produced in towns and cities, but one should still purchase them because purchase of these articles distributed wages and profits to the poor and to those in dire need (Nanda 1958).

Reflection and Action 8.2
From Gandhian perspective, what is the difference between material progress and real progress?

The Gandhian approach to development in the real sense was directed at the poorest of the poor for whom acquiring two square meals a day was uncertain. In one village, he said, “Empty your pockets for the poor”. This was his one line speech. Money spent on all that exceeded the bare requirements for survival was treated as wasteful. Alternatively, it could be used for providing meals to the poor.

Box 8.4: Gandhi on Non-Possession
“The rich have a superfluous store of things which they do not need and which are therefore neglected and wasted; while millions are starved to death for want of sustenance. If each retained possession of only what he needed, no one would be in want, and all would live in contentment. As it is, the rich are discontented no less than the poor. The poor man would fain become a millionaire, and the millionaire a multi-millionaire. The rich should take the initiative in dispossession with a view to a universal diffusion of the spirit of contentment. If only they keep their own property within moderate limits, the starving will be easily fed, and will learn the lesson of contentment along with the rich” (Gandhi 1968: 191)

8.5 Swadeshi

Gandhian perspective on development hinges on the concept of *swadeshi* or home economy. In operational terms, *swadeshi* called for self-governance, self-reliance, and self-employment of people, particularly those in villages. Economic and political power in the hands of the village assemblies would significantly reduce their vulnerability to the outside market forces and enable the villagers

to develop a strong economic base and give priority to local goods and services. The village community, then, would emerge as an extension of the family with cooperating individuals who share a common bond rather than competing individuals each of whom seeks to establish himself/herself over others.

Box 8.5: Gandhi's Village of Dreams

In one of the letters to Jawaharlal Nehru wrote, "The village of my dreams is still in my mind... my ideal village will contain intelligent human beings, they will not live in dirt and darkness as animals. Men and women will be free and able to hold their own against anyone in the world. There will be neither plague, nor cholera, nor smallpox; no one will be idle, no one will wallow in luxury. Everyone will have to contribute his quota of manual labour" (Nehru cf Gandhi 1968: 99).

The principle of *swadeshi* implies the use of indigenous products and services. Gandhi explains the articulation of *swadeshi* in different spheres of life. One who follows *swadeshi* restricts himself/herself to the ancestral religion, that is, use of the immediate religious environment. Similarly, in the domain of politics, *swadeshi* implies making use of indigenous institutions; in the domain of economics, *swadeshi* implies the use of only those things that are produced indigenously. Now, in stressing on the use of home-grown and home-crafted products, Gandhi in no way implied that defects and deficiencies in these should be overlooked or allowed to be perpetuated. Instead, he stressed that the defects and deficiencies should be rooted out.

He felt that much of the poverty of the people could be removed if the spirit of *swadeshi* was followed with rigour in "economic and industrial life". It was his conviction that "if not one article of commerce had been brought from outside India, she would be today a land flowing with milk and honey". He clarified that it was a delusion to suppose that the duty of *swadeshi* begins and ends with spinning the wheel. In fact, *swadeshi* is a whole philosophy of life which involves dedication to the service of others. Communities practising *swadeshi* would not hanker after unlimited economic growth that becomes a limiting factor to self-development. Gandhi said that creation of unnecessary wants hampers self-growth. Moreover, the race for unprecedented economic growth leads to competition and strife, which are destructive. *Swadeshi*, on the other hand, is the way to peace with oneself, with neighbours, and with nature. It then is a kind of religious discipline to be undergone with total disregard of the physical discomfort it may cause to individuals. A person who is committed to *swadeshi* is not excessively concerned if a particular article that he/she needs is not available because it is not produced indigenously. The person learns to do without it and without several others which he/she may consider unnecessary.

Box 8.6: Who is a Swadeshi?

"A votary of *swadeshi* will carefully study his environment, and try to help his neighbours wherever possible by giving preference to local manufactures, even if they are of an inferior grade or dearer in price than things manufactured elsewhere. He will try to remedy their defects, but will not because of their defects, give them up in favour of foreign manufactures" (Gandhi 1968: 215).

8.6 Alternative Viewpoint

Development and progress as goals are based upon an ideal world of buttons as solutions wherein increasingly impressive and complex tasks are accomplished by the push of a button or the switch of a lever. Gandhi argues, however, that the technologies of creation of comfort are also able to generate discomfort and destruction. He points out that what is good for saving lives may lead very quickly to a spin-off production that ends lives. The mechanical principles that

allow the construction of ambulances and trains are also the basis for construction of guns capable of killing thousands in the most minor of border skirmishes. In the case of lawyers, for instance, conflict resolution is so painless and so sanitised that motivated lawyers “advance quarrels instead of repress them” (Gandhi 1938: 59). Similarly, doctors become so good at cleaning up the damage, one can sustain, that people stop being careful or coping with their pain. As Gandhi put it, “I am cured, I over-eat again, and I take his pills again” (Gandhi 1938: 63). In both examples, modern civilisation first presumes a competitive, unkind, and disconnected subject, then designs a system to treat that subject. It is here that the myopia of modern civilisation becomes apparent. While particular acts may seem justifiable, for example “one man ploughs a vast tract by means of steam engines, and can thus amass great wealth” (Ibid: 35), in a broader context it may be less so. Mass mechanised farming may produce “more”, but it may also destroy crop diversity, flood the local market, displace workers, cause pollution, and be unsustainable; only within a very limited short-term context would it seem scientific and even optimal.

Gandhi opposed what he considered a colonial attempt at reducing the world to its component parts. As he prophetically complained, “they wish to convert the whole world into a vast market for their goods”(Ibid: 41). For him, this would be to rob the world of its important spiritual and personal content, to enslave it into being a commodity. Against this perception, Gandhi offers the model of ‘real’ civilisation as rooted in spiritual and intellectual tradition (Ibid: 69-71). Gandhi does not advocate simple destruction of the edifices of modern civilisation, but contests and opposes its ideological tenets calling for change in our mentality, the way we think.

Of course, Gandhi’s critique was not without ample, though often meaningless, responses from defenders of development. The retorts usually focused on both the comparative failures of Gandhi’s paradigm to produce “more” and on the ignorance and anarchy associated with the traditional. These arguments are classically symptomatic of the kind of myopia and paranoia of modern civilisation’s assessment of others. For Gandhi, one of the dangers of this discourse was its ability to convince people to think within the framework of development, progress, and ‘civilisation’ (Gandhi 1938: 35). This encouraged a kind of orientalism in them wherein no one is superior to the promethean defenders of development and all others are judged by the internal standards of technology. Many claimed the village was a bastion of ignorance and violence. Gandhi’s rejoinder is simple: just to criticise modern civilisation is not to endorse all things that are not modern civilisation — an enemy’s enemies are not necessarily our friends. Rather, Gandhi supported the idea to prevent ignorance, poverty, and viciousness in the village, but not going about doing this by the means of modern civilisation (Ibid: 71). While critics could understand that Gandhi’s vision of *Hind Swaraj* was not interchangeable with savagery, they did think that it both encouraged primitivism and that modern civilisation was a better solution to these problems than what they considered ‘realistic’ alternatives. To an extent others did agree with Gandhi, it was often because they thought they had found a useful tactic, a strategic tool they could salvage from Gandhi’s thoughts. This fundamentally misses the point of the critique because it tries to incorporate its conclusions back into the system it critiques.

Instead, the real source of the impasse between Gandhi’s critique and modern civilisation’s defenders was the incommensurability of their discourses. Gandhi considers Nehru as a political ally, as the best of the options and a personal friend (Chandra 1975). However, they never saw eye- to- eye on issues of development and technology – Gandhi described this as a “big difference of opinion” between them (Ibid). Instead, Nehru took Gandhi’s criticism as “an

obscurantist text” (Ibid) and restated the tenets of modern civilisation. He felt it might not be perfect, but if we can provide better homes for more people, then we ‘must’ do that. Nehru deployed the typical demand of almost orgiastic immediacy as a requirement for practice of the theory, “Congress should not lose itself in arguments over such matters which can probably produce great confusion in people’s minds resulting in an inability to act in the present” (Ibid).

8.7 Conclusion

It may be understood that the Gandhian perspective on development is holistic in the sense that it encompasses social, economic and spiritual growth in synchrony. The two major themes that were undercurrents in some of his most influential writings and speeches in the context of development were, (i) the use of the spinning wheel and the importance of khadi; and (ii) local self-governance and self-reliance for social and economic development.

What is more important to note is the fact that it does not emphasise material progress and growth. Instead, it argues in favour of ‘self-development’, and self-reliance through decentralisation of control. He was sure that empowering of the village people and strengthening the village economy were critical factors in the process of development. In fact, meaningful development was one in which the principles of *swadeshi*, among others, were adhered to.

8.8 Further Reading

Gandhi, M.K. 1938. *Hind Swaraj or Indian Home Rule*. Navajivan Trust: Ahmedabad

Gandhi, M.K. 1968. *The Selected Works of Mahatma Gandhi* Vol.III. Navajivan Trust: Ahmedabad

Nanda, B.R. 1958. *Mahatma Gandhi: A Biography*. Oxford University Press: Delhi

Dependency Theory of Underdevelopment

Contents

- 9.1 Introduction
- 9.2 Dependency Theory: The Beginning
- 9.3 How Can One Define Dependency Theory?
- 9.4 Structural Context of Dependency: Is it Capitalism or is it Power?
- 9.5 Central Propositions of Dependency Theory
- 9.6 The Policy Implications of Dependency Analysis
- 9.7 Critics of Dependency Theory
- 9.8 Relevance of Dependency Theories
- 9.9 Dependency Theory: An Overview
- 9.10 Conclusion
- 9.11 Further Reading

Learning objectives

In this chapter you will critically analyse and evaluate:

- the contributions of dependency theories;
- dependency theory as articulation of the poorer nations; and
- relevance and critique of dependency theory.

9.1 Introduction

The units of Block II familiarised us with different perspectives on development such as modernisation theories, and liberal, Marxian and Gandhian perspectives on development. Now let us turn to the theories that generated as a response to growth model of development. The present unit deals with dependency theory which was developed as a critique of western oriented development model. Dependency theories were one of the strongest critics of the growth-oriented theories which came largely from Western nations. The dependency theory, which came from the Latin American world, in that sense, is critique, which was from the south on the richer North. There are minor variations between the theories. What we will attempt in this unit is to try and present the core essential features of dependency theories. We will also examine dependency theories for the implications it has on economies of Third World countries and whether it has any relevance to present economic disparities between the richer Northern nations and the poorer Southern nations.

9.2 Dependency Theory: The Beginning

Dependency Theory developed in the late 1950s under the guidance of the Director of the United Nations Economic Commission for Latin America, Raul Prebisch. Prebisch and his colleagues were troubled by the fact that economic growth in the advanced industrialised countries did not necessarily lead to growth in the poorer countries. Indeed, their studies suggested that economic activities in the richer countries often led to serious economic problems in the poorer countries. Such a possibility was not predicted by neoclassical theory, which had assumed that economic growth was beneficial to all, even if the benefits were not always equally shared.

Prebisch's initial explanation for the phenomenon was very straightforward: poor countries exported primary commodities to the rich countries, who then manufactured products out of those commodities and sold them back to the

poorer countries. The “Value Added” by manufacturing a usable product always cost more than the primary products used to create those products. Therefore, poorer countries would never be earning enough from their export earnings to pay for their imports.

Prebisch's solution was similarly straightforward: poorer countries should embark on programs of import substitution so that they need not purchase the manufactured products from the richer countries. The poorer countries would still sell their primary products on the world market, but their foreign exchange reserves would not be used to purchase their manufactures from abroad.

Three issues made this policy difficult to follow. The first is that the internal markets of the poorer countries were not large enough to support the economies of the scale used by the richer countries to keep their prices low. The second issue concerned the political will of the poorer countries as to whether a transformation from being primary products producers was possible or desirable. The final issue revolved round the extent to which the poorer countries actually had control over their primary products, particularly in the area of selling those products abroad. These obstacles to the import substitution policy led others to think a little more creatively and historically at the relationship between rich and poor countries.

At this point dependency theory was viewed as a possible way of explaining the persistent poverty of the poorer countries. The traditional neoclassical approach said virtually nothing on this question except to assert that the poorer countries were late in coming to sound economic practices and that as soon as they learned the techniques of modern economics, their poverty would begin to subside. However, Marxist theorists viewed the persistent poverty as a consequence of capitalist exploitation. And a new body of thought, called the world-systems approach, argued that poverty was a direct consequence of the evolution of the international political economy into a fairly rigid division of labor which favored the rich and penalised the poor.

9.3 How Can One Define Dependency Theory?

The debates among the liberal reformers -Prebisch, the Marxists -Andre Gunder Frank, and the world-systems theorists -Wallerstein (see Box 9.1) was vigorous and intellectually quite challenging. There are still points of serious disagreement among the various strains of dependency theorists and it is a mistake to think that there is only one unified theory of dependency. Nonetheless, there are some core propositions which seem to underlie the analyses of most dependency theorists.

Dependency can be defined as an explanation of the economic development of a state in terms of the external influences—political, economic, and cultural—on national development policies (Sunkel 1969: 23). Theotonio Dos Santos emphasises the historical dimension of the dependency relationships in his definition:

[Dependency is]...a historical condition which shapes a certain structure of the world economy such that it favors some countries to the detriment of others and limits the development possibilities of the subordinate economies...a situation in which the economy of a certain group of countries is conditioned by the development and expansion of another economy, to which their own is subjected (Dos Santos 1971: 226).

There are three common features to these definitions which most dependency theorists share:

First, dependency characterizes the international system as comprised of two sets of states, variously described as dominant/dependent, center/periphery

or metropolitan/satellite. The dominant states are the advanced industrial nations in the Organisation of Economic Co-operation and Development (OECD). The dependent states are those states of Latin America, Asia, and Africa which have low per capita GNPs and which rely heavily on the export of a single commodity, or a few commodities, for foreign exchange earnings.

Second, both definitions have in common the assumption that external forces are of singular importance to the economic activities within the dependent states. These external forces include multinational corporations, international commodity markets, foreign assistance, communications, and any other means by which the advanced industrialised countries can represent their economic interests abroad.

Third, all the definitions of dependency indicate that the relations between dominant and dependent states are dynamic because the interactions between the two sets of states tend to not only reinforce but also intensify the unequal patterns. Moreover, dependency is a very deep-seated historical process, rooted in the internationalisation of capitalism.

Latin America today is, and has been since the sixteenth century, a part of an international system dominated by the present developed nations. Underdevelopment in Latin America is the outcome of a particular series of relationships to the international system (Bodenheimer 1971: 157).

Box 9.1: World-Systems Theory

In the 1960s international financial and trade systems were beginning to be more flexible, in which national governments seem to have less and less influence. These were the new conditions under which the Third world was trying to elevate its standards of living. It is this which made people like Immanuel Wallerstein conclude that there are new activities in the capitalist world-economy which cannot be explained by old theories.

This school originated in Fernand Braudel Centre for the study of Economics, at the state University of New York at Binghamton. Having originated in sociology it extended its impact to anthropology, history, political sciences. Wallerstein and his followers felt that there were wider forces in the world that impacted and influenced small and underdeveloped nations and the nation-state level of analysis is no longer useful to explain conditions in underdeveloped countries. The factors that had greatest influence on small countries were new global systems of communications, the new world trade mechanisms, the international financial systems, and transfer of military links. These factors have created their own dynamic at the international level, and at the same time, these elements are interacting with internal aspects of each country.

In short, dependency theory attempts to explain the present underdeveloped state of many nations in the world by examining the patterns of interactions among nations and by arguing that inequality among nations is an intrinsic part of those interactions.

Reflection and Action 9.1

Read the Box on world-system theory carefully and answer the following questions:

- 1) Can we explain underdevelopment and development in purely economic terms?
- 2) Do you agree with world-system theory that the world is interconnected and therefore underdevelopment in one nation can be explained in terms of a series of factors which affect them that are located elsewhere. Explain with a suitable example.

9.4 Structural Context of Dependency: Is it Capitalism or is it Power?

Most dependency theorists regard international capitalism as the motive force behind dependency relationships. Andre Gunder Frank, one of the earliest dependency theorists, is quite clear on this point:

...historical research demonstrates that contemporary underdevelopment is in large part the historical product of past and continuing economic and other relations between the satellite underdeveloped and the now developed metropolitan countries. Furthermore, these relations are an essential part of the capitalist system on a world scale as a whole" (Frank 1973: 3).

According to this view, the capitalist system has enforced a rigid international division of labor which is responsible for the underdevelopment of many areas of the world. The dependent states supply cheap minerals, agricultural commodities, and cheap labor, and also serve as the repositories of surplus capital, obsolescent technologies, and manufactured goods. These functions orient the economies of the dependent states towards the outside: money, goods, and services do flow into dependent states, but the allocation of these resources are determined by the economic interests of the dominant states, and not by the economic interests of the dependent state. This division of labor is ultimately the explanation for poverty and there is little question but that capitalism regards the division of labor as a necessary condition for the efficient allocation of resources. The most explicit manifestation of this characteristic is in the doctrine of "comparative advantage".

Moreover, to a large extent the dependency models rest upon the assumption that economic and political power are heavily concentrated and centralised in the industrialised countries, an assumption shared with Marxist theories of imperialism. If this assumption is valid, then any distinction between economic and political power is spurious: governments will take whatever steps are necessary to protect private economic interests, such as those held by multinational corporations.

Not all dependency theorists, however, are Marxists and one should clearly distinguish between dependency and a theory of imperialism. The Marxist theory of imperialism explains dominant state expansion while the dependency theory explains underdevelopment. Stated another way, Marxist theories explain the reasons why imperialism occurs, while dependency theories explain the consequences of imperialism. The difference is significant. In many respects, imperialism is, for a Marxist, part of the process by which the world is transformed and is therefore a process which accelerates the communist revolution. Marx spoke approvingly of British colonialism in India:

England has to fulfil a double mission in India: one destructive, the other regenerating—the annihilation of old Asiatic society, and the laying of the material foundations of Western society in Asia (Marx 1853).

For the dependency theorists, underdevelopment is a wholly negative condition which offers no possibility of sustained and autonomous economic activity in a dependent state.

Additionally, the Marxist theory of imperialism is self-liquidating, while the dependent relationship is self-perpetuating. The end of imperialism in the Leninist framework comes about as the dominant powers go to war over a rapidly shrinking number of exploitable opportunities. World War I was, for Lenin, the classic proof of this proposition. After the war was over, Britain and France took over the former German colonies.

The dependency theorist rejects this proposition. A dependent relationship exists irrespective of the specific identity of the dominant state. That the dominant states may fight over the disposition of dependent territories is not in and of itself a pertinent bit of information (except that periods of fighting among dominant states afford opportunities for the dependent states to break their dependent relationships). To a dependency theorist, the central characteristic of the global economy is the persistence of poverty throughout the entire modern period in virtually the same areas of the world, regardless of what state was in control.

Finally, there are some dependency theorists who do not identify capitalism as the motor force behind a dependent relationship. The relationship is maintained by a system of power first and it does not seem as if power is only supported by capitalism. For example, the relationship between the former dependent states in the socialist bloc (the Eastern European states and Cuba, for example) closely paralleled the relationships between poor states and the advanced capitalist states. The possibility that dependency is more closely linked to disparities of power rather than to the particular characteristics of a given economic system is intriguing and consistent with the more traditional analyses of international relations, such as realism.

9.5 The Central Propositions of Dependency Theory

There are a number of propositions, all of contestable, which form the core of the dependency theory. These propositions include:

- 1) "Underdevelopment" is a condition fundamentally different from "undevelopment". The latter term simply refers to a condition in which resources are not being used. For example, the European colonists viewed the North American continent as an undeveloped area: the land was not actively cultivated on a scale consistent with its potential. Underdevelopment refers to a situation in which resources are being actively used, but used in a way which benefits dominant states and not the poorer states in which the resources are found.
- 2) The distinction between underdevelopment and undevelopment places the poorer countries of the world in a profoundly different historical context. These countries are not "behind" or "catching up" with the richer countries of the world. They are not poor because they lagged behind the scientific transformations or the Enlightenment values of the European states. They are poor because they were coercively integrated into the European economic system only as producers of raw materials or to serve as repositories of cheap labor, and were denied the opportunity to market their resources in any way that competed with dominant states.
- 3) Dependency theory suggests that alternative uses of resources are preferable to the resource usage patterns imposed by dominant states. There is no clear definition of what these preferred patterns might be, but some criteria are invoked. For example, one of the dominant state practices most often criticised by dependency theorists is export agriculture. The criticism is that many poor economies experience rather high rates of malnutrition even though they produce great amounts of food for export. Many dependency theorists would argue that those agricultural lands should be used for domestic food production in order to reduce the rates of malnutrition.
- 4) The preceding proposition can be amplified as follows: dependency theorists rely upon a belief that there exists a clear "national" economic interest which can and should be articulated for each country. In this

respect, dependency theory actually shares a similar theoretical concern with realism. What distinguishes the dependency perspective is that its proponents believe that this national interest can only be satisfied by addressing the needs of the poor within a society, rather than the satisfaction of corporate or governmental needs. Trying to determine what is the “best” for the poor is a difficult analytical problem. Dependency theorists have not yet articulated an operational definition of the national economic interest.

- 5) The diversion of resources over time (and one must remember that dependent relationships have persisted since the European expansion beginning in the fifteenth century) is maintained not only by the power of dominant States, but also through the power of elites in the dependent States. Dependency theorists argue that these elites maintain a dependent relationship because their own private interests coincide with the interests of the dominant States. These elites are typically trained in the dominant States and share similar values and culture with the elites in dominant States. Thus, in a very real sense, a dependency relationship is a “voluntary” relationship. One need not argue that the elites in a dependent State are consciously betraying the interests of their poor; the elites sincerely believe that the key to economic development lies in following the prescriptions of liberal economic doctrine.

9.6 The Policy Implications of Dependency Analysis

If one accepts the analysis of dependency theory, then the question of how poor economies’ development becomes quite different from the traditional questions concerning comparative advantage, capital accumulation, and import/export strategies. Some of the most important new issues include:

- 1) The success of the advanced industrial economies does not serve as a model for the currently developing economies. When economic development became a focused area of study, the analytical strategy (and ideological preference) was quite clear: all nations need to emulate the patterns used by the rich countries (see Unit 10 for more details on growth theories and its critics).
- 2) Indeed, in the 1950s and 1960s there was a paradigmatic consensus that growth strategies were universally applicable, a consensus best articulated by Walt Rostow in his book, *The Stages of Economic Growth*. Dependency theory suggests that the success of the richer countries was a highly contingent and specific episode in global economic history, one dominated by the highly exploitative colonial relationships of the European powers. A repeat of those relationships is not now highly likely for the poor countries of the world.
- 3) Dependency theory repudiates the central distributive mechanism of the neoclassical model, what is usually called “trickle-down” economics. The neoclassical model of economic growth pays relatively little attention to the question of distribution of wealth. Its primary concern is on efficient production, and assumes that the market will allocate the rewards of efficient production in a rational and unbiased manner. This assumption may be valid for a well-integrated, economically fluid economy where people can quickly adjust to economic changes and where consumption patterns are not distorted by non-economic forces such as racial, ethnic, or gender bias. These conditions are not pervasive in the developing economies, and dependency theorists argue that economic activity is not easily disseminated in poor economies. For these structural reasons, dependency theorists argue that the market alone is not a sufficient distributive mechanism.

- 4) Since the market only rewards productivity, dependency theorists discount aggregate measures of economic growth such as the GDP or trade indices. Dependency theorists do not deny that economic activity occurs within a dependent state. They do make a very important distinction, however, between economic growth and economic development. For example, there is a greater concern within the dependency framework for whether the economic activity is actually benefiting the nation as a whole. Therefore, far greater attention is paid to indices such as life expectancy, literacy, infant mortality, education, and the like. Dependency theorists clearly emphasize social indicators far more than economic indicators.
- 5) Dependent states, therefore, should attempt to pursue policies of self-reliance. Contrary to the neo-classical models endorsed by the International Monetary Fund and the World Bank, greater integration into the global economy is not necessarily a good choice for poor countries. Often this policy perspective is viewed as an endorsement of a policy of autarky, and there have been some experiments with such a policy such as China's Great Leap Forward or Tanzania's policy of *Ujamaa*. The failures of these policies are clear, and the failures suggest that autarky is not a good choice. Rather a policy of self-reliance should be interpreted as endorsing a policy of controlled interactions with the world economy: poor countries should only endorse interactions on terms that promise to improve the social and economic welfare of the larger citizenry.

9.7 Critics of Dependency Theory

Dependency theories have provided an alternative approach to looking at unilinear growth models. They have critically evaluated the continued unequal relationships between countries, which have their history partly in colonialism and imperialism. While the dependency theories have provided a welcome critique from the South about the North, they were not without some shortcomings and critics. The principal criticism of dependency theories has been that the school does not provide any substantive empirical evidences to support its arguments. There are few examples that are provided but many exceptions are there which do not fit in with their core periphery theory, like the newly emerged industrial countries of South East Asia.

It has also been said that dependency theories are highly abstract and tend to use homogenising categories such as developed and underdeveloped, which do not fully capture the variations within these categories.

Another point of criticism is that the dependency school considers ties with multinational corporations as detrimental, while one view has been that they are important means of transfer of technology. Another criticism which is leveled against the dependency theorists is that they base their arguments on received notions such as nation-state, capitalism and industrialisation. Some of the Eurocentric biases are inherited in these theories of dependency school: for example they assume that industrialisation and possession of industrial capital are crucial requisites for economic progress. There is an inability to think beyond the state as the primary and essential agent of economic development. Also there is a Eurocentric bias in overlooking or de-emphasising of production undertaken by women, and in not realising the hazardous implications for the environment of industrialisation and over exploitation of resources. A singular criticism, which is charged against the dependency theories, is that they do not reflect the changed socio-economic and political situations of the contemporary world. While many of the criticisms are justified, what we need to ask ourselves is whether the essential ideas and the ideology behind the dependency theory has any relevance in the present context?

9.8 Relevance of Dependency Theories

Increasing globalisation, which appears an inevitable social condition and process, has pointed out to the interconnected nature of the world today. Never has there been so much flow of capital, finances, goods, people, ideas and so on. Some of these interconnections had been pointed out by the Economic Commission for Latin America and Caribbean (ECLAC) in the 1950s and by dependency theorists later, including the world-system theorists. “Both theories view the problems of underdevelopment and development within a global context, as interconnected economic, political and social processes. Dependency theory forecast that the world system will tend to concentrate production in the hands of relatively few transnational corporations, making the world an oligopolic market. From this, the theory also forecast a long trend to slow down production and to speed up income polarisation” (Rojas 1984).

The economic divide and income gap between industrialised countries and developing countries has widened continually. The polarisation between North and South is more pronounced than ever. The United Nations *Human Development Report*, 1997 shows that the share of world trade for 48 least developed nations, representing 10% of the world’s population, has halved in the past two decades. There is a widening gap between the rich and the poor as these figures show: The share in the global income of the poorest 20% of the world’s people has fallen from 2.3% in 1960 and 1.4% in 1991 to a current level of 1.1 %, while the ratio of the income of the top 20% to that of the poorest 20% rose from 30:1 in 1960 to 60:1 in 1991, and grew still further to a figure of 78:1 in 1994. In other words the rich are getting richer while the poor are getting poorer (see figure 9.1).

These trends show no sign of slowing down, even though the United Nations estimates in the *Human Development Report* that it will take only 1% of the global income and around 2-3% of the national income in all but the most impoverished countries to fund a programme to eliminate world poverty. These figures call attention to the fact that these growing disparities between people and nations have to be accounted for and analysed (*Human Development Report* 1997).

Since the aim of uneven development, dependency theories or world-system theory has been to account for the international political economy which is an interconnected world, there is reason to examine these theories for their rationale, though on the face of it they do not seem to be reflecting contemporary circumstances and situations and some of their formulations have been questioned. However, in the face of growing interconnected economies and political economy, it is worthwhile to critically evaluate the theories.

Group of Countries	1960	1970	1980	1990	1999
Industrialised countries (21)	83.2	83.2	78.4	83.3	84.3
Sub-Saharan Africa (50)	2.5	2.3	2.8	1.4	1.1
South Asia (8)	3.9	3.1	2.2	2.0	2.3
Middle East and North Africa (9)	1.8	2.6	5.5	3.1	1.8
Latin America and the Caribbean (41)	6.7	6.8	7.7	5.9	6.7
East Asia and the Pacific (27)	2.0	2.1	3.3	4.4	3.8

Fig.9.1: GDP as percentage of aggregate GDP for 156 market economies

Source: World Development Indicators and *World Development Report*, several years.

Reflection and Action 9.2

- 1) Do you think the dependency theory can be used to explain the internal disparities in a nation?
- 2) Most development theorists think that state interventions are very important for the development of a nation. Do you agree with them?
If you do:
- 3) Do you think, therefore, that the role of the state is undermined by powerful Transnational Corporations and agencies such as IMF and World Bank, who are known to influence state policies?

9.9 Dependecny Theory: An Overview

Apart from all of its methodological and definitional deficiencies, dependency theory has been empirically undermined by the recent historical experience of many less developed countries. Those who may still hold to its fundamental premise that underdevelopment is a process that perpetuates economic backwardness, rather than a condition from which Less Development Countries (LDCs) can escape, simply choose to ignore recent economic history. However, it has been contended here that dependency is useful in the limited sense that it offers an international political economy framework for understanding underdevelopment. Economics alone cannot account for many of the factors that restrict economic and social progress. A reference to political economy dynamics in both domestic and international arenas is necessary. Dependency analysis rightly emphasises the interdependence of economic and political relations in the international arena. If the political-economic dynamics it spells out are often mistaken, at least it gets the frame of reference right. In the final analysis, the study of underdevelopment is patently incomplete if we see the world through economic lenses alone. After fifty years of development experience since the discipline of development economics was born, scholars are increasingly coming to terms with the reality that underdevelopment is the result of a bewildering array of factors, not only economic and political, but also social, cultural, etc. We can say retrospectively that the dependency movement was simply too intellectually ambitious in seeking to account for underdevelopment with a general theory of political economy. As one of the pioneers of development theory, Albert Hirschman wrote thirty years ago:

The attempt to produce general statements about the relationship between politics and economics is likely to produce only banality and frustration. For relationships at this level are either evident and hence uninteresting, or are so complex and dependent on so many other variables as to be unpredictable and inconclusive (Hirschman 1971: 8).

It would be difficult to phrase more succinctly what has doomed dependency theory to the dustbin of history.

Globalisation means that Latin American economies are subjected to the discipline of international financial markets as well as the threat of exit by local and international investors. Dependency theorists would predictably use this insight to validate their thinking by asserting that global economic integration restricts the room for maneuver of many governments in matters, fiscal and monetary. While this is undeniable, reduced freedom of policy action is not necessarily deleterious for development. In fact, many economists assert that the new discipline imposed on developing nations by international markets has weeded out the worst examples of irresponsible, populist policies of times past by tying politicians' hands. The international economic scene is quite different from when dependency tenets were first being formulated in the 1950s and 1960s. But again, it is up to Latin American governments to take advantage of the new opportunities and to limit the new risks that come with

this new world economic landscape. Their policies give them some leverage as to the extent to which they want to control their individual economic destiny. That is the good news. Dependency theory, in a more pessimistic fashion, did not allow for that possibility.

9.10 Conclusion

In this unit we have learnt that dependency theories have a recent origin. It was developed during the middle of 20th century in Latin America, mainly as a critique of modernisation theories. They rejected the arguments of modernisation theorists that modernity and development reach bottom most in its own due course. They argued that the economic activities in the richer countries often led to serious economic problems in the poorer countries.

Here we have tried to define dependency theory and examined the social context that lead to the origin of dependency theory. We have also seen the central propositions of dependency theory and how they explain the causes and continuance of underdevelopment in the contemporary world. Finally the major criticisms against dependency theory and their relevance in this globalisation era are also analysed in the unit.

9.11 Further Reading

Frank, A. G. 1973. "The Development of Underdevelopment" In Cockcroft, James P. (etal) (eds.) *Dependence and Underdevelopment*. Anchor Books: New York

Lall, S.1975. Is Dependency a Useful Concept in Analysing Underdevelopment?' *World Development* Vol. 3

Unit 10

References

Social and Human Development

Contents

- 10.1 Introduction
- 10.2 Growth Models of Economic Development
- 10.3 Criticism of Growth Oriented Theories of Development: The Need for a Holistic Perspective
- 10.4 The Human Development Reports: From Income to Cultural Freedom
- 10.5 What is Human Development?
- 10.6 Measuring Human Development
- 10.7 Critical Evaluation of Human Development Approach
- 10.8 Conclusion
- 10.9 Further Reading

Learning Objectives

In this unit you will learn about the need for critiquing dominating development models and critically evaluate:

- growth models of development;
- need for a holistic perspective; and
- human development report and a critical evaluation of it.

10.1 Introduction

When the term development is mentioned, the immediate association one has is of wealth. When we ask people who are the developed nations, often the answer refers to countries such as the United States of America, Japan, Germany and so on, the so-called developed nations. And as for what is development, again the association is with wealth; a lot of industries, everybody owning a car, good roads, skyscrapers and so on. This association of wealth with development has struck the popular imagination and therefore for a lot of people development means a lot of wealth.

This idea of development goes back to the adoption of growth models to achieve development, especially via newly emerging nation-states that were trying to emulate the successes and riches of the wealthy or developed nations of the West.

It has generally been agreed that economic growth and income levels are important but more important is how well the resources of wealth are exploited for general well being of human beings. Some countries have been successful in managing their growth to improve the human condition. However there is no automatic link between economic growth and better human conditions. And if a link is seen what one ponders what are those conditions or policies that translate high-income levels into human development. We will be addressing these and other questions related to the issue of human development in this unit on social and human development.

This unit will begin with the discussion by analysing the antecedents of human development in the growth models of development which were adopted by many countries, and how these models failed to meet human development needs. We will then discuss what human development is and in what way it

is a holistic perspective as compared to the growth model. We will also examine the various factors and indices to measure human development. The *Human Development Report* prepared by UNDP (United Nations Development Programme) will be examined and analysed to see what the relative positions of different countries are. If certain countries are lagging behind in achieving this human development potential, then it will be worth while to look into the conditions and policy issues that come in the way of human development. Our particular interest is India but we will be looking at the Indian situation in the context of other nations and in the global perspective as well.

10.2 Growth Models of Economic Development

In this section we will talk about the dominant ideas and discourse of development which held sway and which continue to hold the imagination of people whenever there is a discussion on economic development. Before we go on to discuss some of the main features and principles and the leading thinkers of this model of development, let us look at the philosophical and conceptual lineages of the concept of development.

“Economic development” or “development” is a term that economists, politicians, policy makers, academics and lay people have used widely, so much so that it became a household term in late 20th century. The concept, however, has been in existence in the West for centuries. Modernisation, Westernisation, and especially Industrialisation are other terms people have used when discussing economic development.

The word development is invariably associated with the idea of progress. The concept of progress in turn finds its roots in the concept of evolution which had captured the imagination of scholars of the 19th century. For instance when Auguste Comte talked about the progress of society, he visualised societies moving from the simple to a complex and yet rational and scientific state. This also implied that one moved from a society dominated by a non-scientific cultural mould dominated by age-old tradition, to one where rationality and the scientific spirit dominated. Thus when newly independent nations of the post-colonial world strove to develop themselves, the idea that they needed to adopt modern rational ideas was very influential.

Along with modernisation another concept that came to be closely associated was industrialisation. The idea of progress as we mentioned was evolutionary and linear in its implications. Therefore the countries which were not developed had to go through, even if by grafting infrastructures and such conditions, a stage similar to that of those which was developed already. The developed countries had a predominant industrial base and of course they all went through a history of the social process of industrialisation. When we examine some of the theories of economic development which advocated growth, in terms of incomes or heavy industries, they were very much influenced by the discourse of that time. Let us briefly look at some of these theories.

By end of World War II, various countries were struggling to take their nations forward and progress the way the former coloniser countries have progressed. A variety of theories were on offer around this period.

- a) **Linear Stage Growth Theory:** The idea of different stages of development as we have mentioned goes back to ideas of evolutionism which finds echoes in Adam Smith and Karl Marx. Adam Smith first noted that every society goes through four stages, namely, hunting, pastoral, agricultural and manufacturing. According to Karl Marx there are four stages through which every society must go, namely, Feudalism, Capitalism, Socialism and Communism. Walt W. Rostow’s “stages of growth” model of development is yet another addition to these ideas.

The argument that the historical experience of the developed countries in transforming their agricultural subsistence societies to modern industrial giants may have important lessons for the developing countries, led to the formation of Rostow's stage theories (refr. unit 5 for Rostow's stage theories).

- b) **Structural-Change model:** Following the prescriptions of Harrod and Domar who feel that, the main obstacle or constraint to development is the relatively low level of new capital formation in most poor countries. Arthur Lewis comes up with another variation on the growth model. According to him investments in industrialisation would attract rural folk to urban areas and this in turn would provide higher standard of living as they would earn more wages. Furthermore, as the level of labour productivity was so low in traditional agricultural areas, people leaving the rural areas would have virtually no impact on output. Indeed, the amount of food available to the remaining villagers would increase as the same amount of food could be shared amongst fewer people. This might generate a surplus which could then be sold generating income.

Those people that moved away from the villages to the towns would earn increased incomes and this in turn generates more savings, according to Lewis. The lack of development was due to a lack of savings and investment. The way to development was to increase savings and investment. A growing industrial sector requiring labour provided the incomes that could be spent and saved. This would in itself generate demand and also provide funds for investment. Income generated by the industrial sector was expected to trickle down throughout the economy.

There was great deal of criticism of these models from the so called third world countries. They offered critique which pointed out to the vested interest of these Western models (you must have already familiarised yourself with some of these in the previous unit). After the initial tremor created by the dependence theories subsided and the neoclassical economists bounced back with another set of theories which became known as the neo-classical counter-revolution.

- c) **Neo-classical counter-revolution:** Unlike the dependence theories, which believed that underdevelopment was an externally induced phenomenon, the people behind the neo-classical counter-revolution believed that underdevelopment is an internally induced phenomenon. The central argument of the neo-classical counter-revolution is that underdevelopment results from poor resource allocation due to incorrect pricing policies and too much state intervention by over interfering governments. The third world is underdeveloped because of the heavy hand of the state and the corruption, inefficiency, and lack of economic incentives that permeate the economies of developing nations. According to this theory what is needed is the promotion of free and open market and *laissez-faire* economics within the context of permissive governments that allow the "magic of the marketplace" and the "invisible hand" of market prices to guide resource allocation and stimulate economic development (**source:** [_http://www.hn.psu.edu/faculty/mahmud/econ333/sum99/Lect3&4](http://www.hn.psu.edu/faculty/mahmud/econ333/sum99/Lect3&4)).

10.3 Criticism of Growth-Oriented Theories of Development: The Need for a Holistic Perspective

The prescriptions offered by the above theories were adopted by the first generation of newly independent nations. They generally accepted that they

Approaches to Sustainable Development

were poor because they were traditional and had followed subsistence agriculture based production. Hence there was an initial investment in heavy industries, as was done by India too. The adoptions never really did yield results and the theories themselves came under heavy criticism especially from the hitherto colonised and newly independent nations, who were in the race to climb the development ladder. Underlying these theories were a series of both economic and deeper philosophical assumptions, which were highly Eurocentric or Western oriented.

In some of these theories, especially Rostow's, the assumption that underdeveloped countries have no history of development, since they are still at the first stage of being a "traditional society", is a historical proposition. It suggested that the so-called underdeveloped countries have no history of development. An examination of colonial history shows that this is not the case. The burgeoning industries, mostly traditional ones were deliberately destroyed. The destruction of the cotton textile industry in India is an example of that. There are numerous such instances in colonial history.

Furthermore, classical and neoclassical theories with their stress on consumption and huge investments have been found to be unsustainable, upsetting the fragile ecological balance. By providing the developed West as a model to be emulate, as the last stage of Rostow's model suggests, there is a continued sense of inequality, as more countries compete for fewer resources. It is only the rich and powerful who invariably have access to the earth's resources, creating an inequitable situation. The developed countries account for only a quarter of the world's population, they consume approximately 80 percent of the world's resources. Thus, the goal of mass consumption for the developing world is impossible, as this level of consumption cannot be sustained for a larger number of people.

Some of these points were not only raised by the advocates of dependency theories of Latin America but by all Third World countries. And as more facts and figures started pouring in on the state of the ecology and the environment, particularly at the Earth Summit of 1990, it was realised that the growth models were far from sustainable.

Most of the above discussed theories were pro-capital and pro-manufacturing. It was increasingly found that creation of surplus and more wealth did not necessarily create well-being. Not only that the wealth which was invariably intended to trickle, never did. Apart from the economic and environmental perspectives, in the development critique, there was a spate of criticism from social and cultural perspective. Though there were certain revisions and new approaches, which addressed the human angles — "like the" Human Resources Development approach and the Basic Human Needs approach.

The human resources development approach looked at human potential as a means to further capital accumulation. Human beings were the supply part of that commodity production, they were not the ends themselves. The welfarist model and the basic needs approach looked at human beings as beneficiaries of development rather than as active participants. According to the basic needs approach provision of basic needs such as food, water, shelter was important. In a large sense they did not look at the human beings as the goal of development.

In the later 1980's and early 1990's there were a series of development critiques, which emerged within sociology and anthropology. These critiques questioned the basic philosophical and epistemological orientation of development. They felt that the development discourses drive to manipulate and dominate nature and the nonlinear view of history need to be critically examined. These approaches center on the analysis of development as a cultural discourse and

the role that it plays in shaping and defining reality. Many anthropologists in this framework (but not all) call for the abandonment/deconstruction of the whole epistemological and political field of post-war development toward a post-development era. They argue that the pervasiveness of development discourse and ideology denaturalises the historical and political realities of the development enterprise. It is argued that development discourse acts as a regime of representation or hegemonic worldview that systematically shapes and constructs identities of the so-called Third World peoples and does not allow people to think of alternative organising principles for the attainment of well-being. Those works most associated with this type of “post-development” critique are those of Arturo Escobar (1995), Wolfgang Sachs (1992), Rahnema and Bawtree (1997).

It is criticisms like these which together raised many questions on the issue of what well-being is. After all, the national averages of income or wealth do not capture the actual situation of distribution of incomes. It was increasingly realised that development has to capture the many-sided aspects of well-being that address not only the basic needs of human beings such as food, clothing, shelter, access to health, etc. but such social issues as gender equity as well and also address issues of sustainability. The holistic perspective was increasingly brought forth to the centre-stage particularly in the late 1980s and 1990s. Various methods were sought to look at comparative pictures of societies that address these social issues rather than per capita income etc. Countries which were believed to be very wealthy did not necessarily have greater equality of incomes or good human right records. So many factors were taken into consideration which addressed the overall well-being of the people that this came to be known as human development.

The United Nations Development Programme (UNDP) was the first to come up with a report in the year 1990 that addressed the human aspect of development. While acknowledging the importance of Growth in National Production (GDP) it wanted to see “how this growth translates into or fails to translate into human development in various societies”. Let us examine this seminal report called the Human Development Report which was undertaken under the flagship of the project director Mahbub-ul-Haq.

Reflection and Action 10.1

One obvious outcome of development discourse has been a desire on the less developed nations to imitate the ways of the “developed” nations not only in terms of technologies but in life styles too. In our own Indian context the reference group — a group for emulation — has been the rich and the urban dwellers. A sign of wealth is not only the money one has but the trappings that show you are wealthy and modern as well. For example, in a village society in India a *pucca* cemented house is preferred over a thatched house. There are many such instances of imitation and adoption of so-called modern and developed technologies and lifestyles. In this context the following questions arise:

- 1) Do you think the modern preferences for architecture are environmentally suitable, especially in a hot desert climate for instance?
- 2) Can you think of other elements of imitation which you think are environmentally and economically unsuitable? Do write them down.
- 3) Give few examples of what you think are good development programmes in the context of rural India, explain why you think they are good examples.

10.4 The Human Development Reports: From Income to Cultural Freedom

The *Human Development Report* of 1990 was the first in a series of reports which brought the people into the centre-stage of the development debate, as is outlined in the foreword of the report of 1990. It says: “The purpose of

Approaches to Sustainable Development

development is to offer people more options. One of their options is access to income not as an end to itself but as a means to acquiring human well-being. But there are other options as well, including long life, knowledge, political freedom, personal security, community participation and guaranteed human rights. People cannot be reduced to single dimension as economic creatures”(Human Development Report 1990: iii).

The report is essentially meant to point out to those aspects of development that addresses human dimensions. It is not meant to be a model of development, like the ones that have been advocated earlier, for instance the growth models. The report is meant to “analyse practical country experience to distill practical insights. Its purpose is neither to preach nor to recommend any particular model of development. Its purpose is to make relevant experience available to all policy makers” (Ibid).

The human development reports make contribution in measure and policy analysis of human development. While the first report brought in the very notion of human development, subsequent reports have addressed various specific issues of human development — the social, political and economic. The latest report, for instance, stresses on cultural liberty in today’s diverse world. The report attempts to capture, through figures and facts, difficult and slippery phenomena and concepts such as cultural liberty and cultural diversity. According to the *Human Development Report*, 2004 “human development requires more than health, education, a decent standard of living and political freedom. People’s cultural identities must be recognized and accommodated by the state, and people must be free to express these identities without being discriminated against in other aspects of their lives. In short cultural liberty is a human right and an important aspect of human development and thus worthy of state action and attention” (HDR 2004: 6).

Now let us have a look at the various themes and foci of human development reports starting from 1990-2004 (**Source:** UNDP.org).

- **1990, *Concept and Measurement of Human Development***

The report addresses, as its main issue, the question of how economic growth translates or fails to translate into human development. The focus is on the people and on how development enlarges their choices. The report discusses the meaning and measurement of human development, proposing a new composite index.

- **1991, *Financing Human Development***

Lack of political commitment rather than financial resources is often the real cause of human development. This is the main conclusion of *Human Development Report*, 1991; the second in a series of annual reports on the subject.

- **1992, *Global Dimensions of Human development***

The richest 20% of the population now receives 150 times the income of the poorest 20%. The Report suggests a two-pronged strategy to break away from this situation. First, making massive investments in their people and strengthening national technological capacity can enable some developing countries to acquire a strong competitive edge in international markets (witness the East Asian industrialising tigers). Second, there should be basic international reforms, including restructuring the Bretton Woods institutions and setting up a Development Security Council within the United Nations.

- **1993, *People’s Participation***

The report examines how and to what extent people participate in the events and processes that shape their lives. It looks at three major means

of peoples' participation: people-friendly markets, decentralised governance and community organisations, especially NGOs, and suggests concrete policy measures to address the growing problems of increasing unemployment.

- **1994, *New Dimensions of Security***

The report introduces a new concept of human security which equates security with people rather than territories, with development rather than arms. It examines both the national and the global concerns of human security.

- **1995, *Gender and Human Development***

The report analyses the progress made in reducing gender disparities in the past few decades and highlights the wide and persistent gap between women's expanding capabilities and limited opportunities. Two new measures are introduced for ranking countries on a global scale by their performance in gender equality and there follows an analysis of the under-valuation and non-recognition of the work of women. In conclusion, the report offers a five-point strategy for equalising gender opportunities in the decade ahead.

- **1996, *Economic Growth and Human Development***

The report argues that economic growth, if not properly managed, can be jobless, voiceless, ruthless, rootless and futureless, and thus detrimental to human development. The quality of growth is therefore as important as its quantity for poverty reduction, human development and sustainability.

- **1997, *Human Development to Eradicate Poverty***

Eradicating poverty everywhere is more than a moral imperative; it is rather a practical possibility. That is the most important message of the *Human Development Report*, 1997. The world has the resources and the know-how to create a poverty-free world in less than a generation.

- **1998, *Consumption for Human Development***

The high levels of consumption and production in the world today, the power and potential of technology and information, present great opportunities. After a century of vast material expansion, will leaders and people have the vision to seek and achieve more equitable and more human advance in the 21st century?

- **1999, *Globalisation with a Human Face***

Global markets, global technology, global ideas and global solidarity can enrich the lives of people everywhere. The challenge is to ensure that the benefits are shared equitably and that this increasing interdependence works for people—not just for profits. The report argues that Globalisation is not new, but that the present era of Globalisation, driven by competitive global markets, is outpacing the governance of markets and the repercussions on people.

- **2000, *Human Rights and Human Development***

Human Development Report, 2000 looks at human rights as an intrinsic part of development and at development as a means to realising human rights. It shows how human rights bring principles of accountability and social justice to the process of human development.

- **2001, *Making New Technologies Work for Human Development***

Technology networks are transforming the traditional map of development, expanding people's horizons and creating the potential to realise in a decade progress that required generations in the past.

- **2002, *Deepening Democracy in a Fragmented World***

This report is first and foremost about the idea that politics is as important to successful development as economics. Sustained poverty reduction requires equitable growth — but it also requires that poor people have political power.

And the best way to achieve that in a manner consistent with human development objectives is by building strong and deep forms of democratic governance at all levels of society.

- **2003, Millennium Development Goals: A Compact Among Nations to End Human Poverty**

The range of human development in the world is vast and uneven, with astounding progress in some areas amidst stagnation and dismal decline in others. Balance and stability in the world will require the commitment of all nations, rich and poor, and a global development compact to extend the wealth of possibilities to all people.

- **2004, Cultural Liberty in Today’s Diverse World**

Accommodating people’s growing demands for their inclusion in society, for respect of their ethnicity, religion, and language, takes more than democracy and equitable growth. Also needed are multicultural policies that recognise differences, champion diversity and promote cultural freedoms, so that all people can choose to speak their language, practice their religion, and participate in shaping their culture so that all people can choose to be who they are.

As we can see from the above accounts the reports have tried to capture the many aspects and choices that people have or do not have that go in to the making of development of a human being. Various indices have been developed over the time to be able to present a contrasting picture as well as to capture many aspects of human development. Thus, it seems that through these reports one can see the expanding ambit of development that addresses the changing processes, situations and choices that people have. You must be wondering if human development is all-inclusive than what it is all about. Let us try and understand what “human development” is in our next section.

10.5 What is Human Development?

The notion of human development essentially addresses the human in development — all those elements which make a person human not only in terms of what she /he needs for basic survival such as food, clothing or shelter, health, etc, but a sense of dignity, what Adam Smith called the ability to mix with others without being ashamed to appear in public (HDR 1990: 10). It is the process of enlarging people’s choices. The human development approach looks at income as a means, not as an end, to people’s development, in contrast with the earlier growth models. It is felt that there is no automatic link between income growth and human progress. HDR, 1990 has the following to say:“ The term human development here denotes both the process of widening people’s choices and the level of their achieved well-being. It also helps in distinguishing, clearly, between two sides of human development. One is the formation of human capabilities, such as improved health or knowledge; the other is the use that people make of their acquired capabilities. In contrast with earlier theories and models, the human development approach broadens the concept to not only include issues such as basic needs and income, but also people’s choices — on what people should have to be able to ensure their own livelihood without ending up as mere beneficiaries. “Human development is, moreover, concerned not only with basic need satisfaction but also with human development as a participatory dynamic process. It applies equally to less developed and highly developed nations”(Ibid).

Box 10.1: Human Development Defined

Human development is a process of enlarging people’s choices. In principle, these choices can be defined as infinite and change over time. But at all levels of development, the three essential ones are for people to lead a long and

healthy life, to acquire knowledge and to have access to resources needed for decent standard of living. If these essentials are not available, many other opportunities remain inaccessible.

But human development does not end there. Additional choices highly valued by many people, range from political, economic and social freedom to opportunities for being creative and productive, and enjoying personal self-respect and guaranteed human rights.

Human development has two sides. The formation of capabilities — such as improved health, knowledge and skills; and the use people make of their acquired capabilities — for leisure, productive purposes or being active in cultural, social and political affairs. If the scales of human development do not finely balance between the two sides, considerable human frustrations may result.

According to this concept of human development, income is clearly only one of the options that people would like to have, albeit an important one. But it is not the sum total of their lives. Development must, therefore, be more than just the expansion of income and wealth. Its focus must be people.

(Source: *Human Development Report*, 1990)

10.6 Measuring Human Development

The choices people make, as the development reports have pointed out, is a process which is best understood in the specific contexts of their time and space, for choices change and are specific to cultures. Some choices may seem irrational. Over the years various human development reports have laid stress on different aspects of these choices. The question that comes to mind is if the choices are so wide and specific to cultures, is it possible to measure them and is it possible to make comparisons. The report of 1990 does realise the problem of presenting a complex picture of all the choices people make. It says “Too many indicators would produce a perplexing picture — perhaps distracting policy makers from the main trends. The crucial issue therefore is of emphasis”(Ibid).

In the initial reports, three indicators were considered most important and comparative figures were provided. The three elements, which were considered essential to human life, are **longevity**, **knowledge** and a **decent living standard**. There is no standard mechanism for measuring human development indicators. For example, longevity can be calculated by longevity at birth as an indicator. For the second indicator, knowledge, literacy figures are the main indicators, though there are debates about what kind of literacy, the quality of it and so on. But literacy is still the beginning and therefore a good indicator. As for the third element, decent living, it is very difficult to look for indicators. It requires data on access to land, credit, income and other resources. Except for income, data on other indicators is rarely available. And even the indicator of income does not always tell the whole story, especially since incomes are mostly in the national average. However, by actually looking at purchasing power of income helps in assessing the buying power of the money that people have.

One of the major problems of calculating indicators is that they are shown as a national average. The average does not reveal the wide disparities that may exist in society. For instance, there are wide disparities between male and female literacy as well as between the rich and the poor. These disparities exist for other indicators as well — health, longevity and income. There have been attempts to adjust these disparities. If inequality is seen as reducing the value of average achievement, as given by unweighted average mean that can be adjusted by the use of inequality measures. Such distributional corrections can make a significant difference to an evaluation of a country ‘s performance.

When it comes to other equally essential elements of human well-beings such as cultural freedom, security, human interactions, it becomes very difficult to conceptualise these categories and equally difficult to measure them (see Box 10.2).

Box 10.2: Measuring Cultural Liberty

To date, cultural statistics have dealt with the production and consumption of “cultural goods” — films, books and theatre. But can cultural liberty and its opposites — living mode exclusion and social, economic and political exclusion along ethnic, linguistic, or religious lines be measured?

Measuring living mode exclusion

Language, religion, history, clothing, customs, ceremonies, cuisine and values among other things, interact to define cultural identity, all of these ways to understand culture provide ways to exclude cultural identities such as language policies, treatment of different religions, school curricula and attitudes within society. Information can be collected on these issues but rarely is. Beyond the simple data availability problems are the analytical challenges of converting information in to statistically useful numbers. One possible approach is qualitative assessment expert assessment of the severity of the situation — on issues that are important to many cultural identities, such as language and religion.

Measuring participation exclusion

Measurement of social, economic, and to lesser extent political exclusions along ethnic, linguistic and religious lines is more advanced. Often lacking, however, is a breakdown by culturally identified groups. Some data collection includes such questions on religion, ethnic and linguistic identity and some post-censal surveys focus specifically on these cultural groups, but they could be more comprehensive and comparable. An important issue is allowing people to register multiple identities. Political exclusion is more difficult to capture. There are some hard data, such as representation in parliament and voter participation. But other issues, such as freedom of expression movement and organisation, are more difficult to capture and require qualitative approach.

Next steps

More work can be done at the country level, where understanding of the issue may be greater. This could involve improved data monitoring and collection such as including questions on identities in survey questionnaires and post-censal surveys targeted at specific cultural groups as well as qualitative assessments.

At the international level leadership by an international statistical body could bring sharper focus to what is a formidable and urgent task. For example, the UNESCO Institute of Statistics has already done much work in measuring culture. The coordinating institution could advocate for collection of information, such as the inclusion of national surveys of question on cultural identity, and could be the lead depository for these data. In more qualitative areas of cultural and political exclusions enormous benefits could accrue from having an international institution take the lead on comprehensive approaches to these complex issues at the country level.

No index of cultural liberty

There are demands not only to produce statistics on issues of culture but also to go farther and produce a cultural liberty index. A lesson of the human development index and other composite indicators is that measures need not be grounded in a conceptual framework and must be policy relevant as well as measurable and comparable.

Conceptual and methodological challenges are enormous for capturing such an issues as discriminatory policy and social practice and the extent of historical neglect that cultural groups face.

The problem is more than empirical. Unlike some other aspects of human development, such as health and education, where many countries face common challenges, the challenges in dealing with cultural exclusion are more diverse. It will never be fully possible to compare homogenous Japan with diverse India, or how Europe is dealing with issues posed by immigration with how Latin America is meeting the demands of indigenous people for land self rule

(Source: Human Development Report, 2004)

10.7 Critical Evaluation of Human Development Approach

References

As we mentioned earlier the human development covers many dimensions of well being but for the purpose of focus and measurability and comparability the Human Development Report team had focused on three important elements of human development; life expectancy or longevity, access to knowledge or literacy and standard of living which is largely measured in terms of income levels with its purchasing power.

The Human Development Index (HDI) focuses on the three above mentioned indicators. The reports aver, however that “Although the HDI is a useful concept, it is important to remember that the concept of human development is much broader and more complex than any summary measure can capture even when supplemented by other indices. The HDI is not a comprehensive measure. It does not include important aspects of human development notably the ability to participate in the decisions that affect one’s life and to enjoy the respect of others in the community” (*Human Development Report 2004*: 128) The report adds that a person can be wealthy, educated and healthy but not participating in the development processes that add to his/her well-being. It is omissions like these, which have been highlighted in the early reports on human development. In 1991, prompted by these omissions, there was an attempt to come up with a “Human Freedom Index” and a “Political Freedom Index” in 1992. These measures were popular but they were soon abandoned, which is a testament to the fact that such complex phenomena are very difficult to quantify. Though they have been difficult to capture as human development index, many reports have attempted not to undermine the issue by devoting several reports on aspects such as democracy, political freedom, multiculturalism, etc. The HDI measures average achievements in a country but does not capture the differences in each category. Two countries with the same average literacy level may have disparities between men and women. The Gender Related Development Index (GDI) introduced in *Human Development Report*, 1995 measures achievements in the same dimensions using the same indicators as the HDI but captures inequalities in achievement between men and women. It is simply that the HDI is adjusted downwards for gender inequality. The greater the gender disparity in basic human development, the lower is a country’s GDI relative to its HDI. The countries with worst disparities between their GDI and HDI values are Saudi Arabia, Oman, Pakistan, Yemen and India.

Similarly, having a high GDP index does not necessarily rank you high on HDI index as well-being is not just about incomes alone. Some countries have done a lot to distribute their incomes much more equitable and have strived to provide health facilities and education. Thus, a country like Bolivia, with a much lower GDP per capita than Guatemala has achieved a higher HDI because it has done more to translate that income into human development.

Reflection and Action 10.2

As you might have noticed in the HDI ranking India is way below some of the other countries who have much less GDP index. It also has a very low GDI (Gender Development Index)

- 1) Make a list of countries in south Asia who have less GDP than India but who rank higher than India in HDI.
- 2) What do you think are the main reasons for huge gender disparity in India?
- 3) Do you think elements of development such as political participation and freedom are more or as important as life expectancy and education. Give reasons for your answer.

The human development report has been a welcome change and major critique of mainstream welfare economic and growth oriented measures of economic development, and to that extent it has brought about a humane orientation to economics. The human development approach is not however without some lacunae. We address some of these shortcomings in this section and critically evaluate the reports. Our vantage point of evaluation is largely from a sociological and social perspective. A detailed analysis has been done of this approach from economics point of view, to which we refer in a cursory way.

Underlying the Human Development Reports are the contributions of Amartya Sen and his close associate Mahbub-ul-Huq. The report was influenced greatly by concepts such as “capabilities”, which was introduced in to the vocabulary of economics by Sen. He introduced the term capabilities to understand the multi-dimensional aspect of well-being in terms of choices people make for their capabilities. The concept of capability or choices attempt to identify what those choices may be. Included in some basic and valid choices are such elements as empowerment, equity, sustainability, membership in a community or group(s) and security. Various attempts were made to capture these elements in the series of reports, which were published over the years. The HDI as a measure of relative achievements of various countries remains the chief indicator of development. And as some critics like Apthorpe (1997) have pointed out that this measure only captures such items as longevity, education and income, which only captures human capital and not choices that people make. Another point which was raised by Apthorpe, who is an influential anthropological voice in development studies, is that the global human development report is dominated by economists and therefore remains an economist dominated world though their plea has been to take it away from pure economics to social dimensions. According to Apthorpe the “human” in the development report gives a good feeling, but it can divert attention from serious social and political analysis and hence from real understanding of human life. The social aggregates used are demographic trends and sectoral and never about social institutions, social structures or social groups own categories.

Besides these, the universalising and global trends and categories do not reflect the differentiations within, and many times some of these categories are problematic. For instance when we talk of freedom, we have to realise that what might be considered freedom by one set of people might be considered an oppression by others. For example, wearing a veil might be liberating for some women who want to escape from over-sexualised treatment of women in the West. In the “Human right” debates there have been many such voices, which have pointed out to this kind of universalisation and how they do not necessarily represent communities and people’s categories. One of the charges leveled against the human categories in the human development approach is that they stem from a liberal position, which talks about individual aspirations and rights and choices and not about deeper levels of analysis.

There have been criticisms that the categories and terms do not have epistemological groundings. Ananya Mukherjee Reed (2004) in her critique of the Human Development Report of 2004 and its recommendations of multiculturalism, points out that while the report acknowledges the various symptoms of the problematic of multiculturalism, it refuses to acknowledge the salience of the underlying structures that generate those symptoms. Reed further adds: “Is anything really lost in speaking of issues and yet not of the phenomena that these issues comprise as a totality? I believe so. As Marilyn Frye, the feminist philosopher explains with her metaphor of the birdcage, if one looks at a cage one wire at a time, then it is not quite clear how it might have the power to imprison a living being. If however, one examines the cage in its entirety, focusing on the specific pattern, which connects the wires to make possible the imprisonment, then a different picture emerges. The problem is not simply one of omission. It gives the mistaken impression that the cage is

only a simple sum of the wires; and that liberty can be won by removing one wire at a time. She also says that this kind of understanding comes essential from a distributive paradigm of justice". She quotes Young to support her argument as thus: "The focus on distribution ignores and tends to obscure the underlying structural/institutional context within which those distributions take place; this context includes any structures or practices, the rules and norms which guide them, and the language and symbols that mediate social interactions within them, in institutions of state, family and civil society, as well as the workplace (Makhajee Reed 2004)". This emphasis on patterns of distribution is typical of liberal models of justice, which as Marx pointed "frequently presuppose institutions of private property, wage labor, and credit, when these might come into question for a more critical conception of justice". Indeed, the precise goal of policy approaches premised on the liberal distributive model is to accommodate political demands within existing structures of property rights, gender relations, divisions of labour and cultural norms" (source: <http://www.networkideas.org/>).

10.8 Conclusions

There is no doubt that the human development approach, with its attempts to bring about social dimensions of development, is an improvement over the growth oriented, top-down approaches and models of development which really try to understand that human beings are the ends in an effort to bring about development. In our first few sections of this unit we have tried to see how this change was brought about through a series of debates and new approaches. This unit has been essentially devoted to understanding the human development. Since *Human Development Reports* of UNDP are a basic crux of this approach, we have referred to the series of reports extensively. We tried to follow the definitions and the problematics involved in trying to measure difficult and complex phenomena such as liberty, freedom, cultural rights etc. While the efforts have been nobler on the part of the team which put together the various reports, the endeavour has largely been one of bringing a humane perspective to economics and not a serious epistemological critique of present practices of economics; this aspect has been brought out in our section on evaluation of these reports.

10.9 Further Reading

Human Development Report 1990. Oxford University Press: New Delhi

Human Development Report 2004. Oxford University Press: New Delhi

Haq, Mahbub ul 1998. *Reflections on Human Development*. Oxford University Press: New Delhi

Unit 11

Gender Perspective on Development

Contents

- 11.1 Introduction
- 11.2 The Concept of Gender
- 11.3 Women, Gender and Development
- 11.4 Gender and the Constitution: Women in India
- 11.5 Development Planning in India
- 11.6 The CSWI's Critique and Parliamentary Mandate
- 11.7 Post-Emergency Planning of Women's Development (1977-80)
- 11.8 The Sixth Plan Unit on Women and Development
- 11.9 The Seventh Five-Year Plan (1985-90)
- 11.10 The Eighth Five-Year Plan (1992-97)
- 11.11 The Ninth Five-Year Plan (1997-2000)
- 11.12 Policy and Planning for Women
- 11.13 Conclusion
- 11.14 Further Reading

Learning Objectives

In this unit you will critically analyse and understand:

- the importance of gender perspective in development;
- gender perspectives and development planning in India; and
- policies and strategies which address gender issues.

11.1 Introduction

This unit on gender perspectives on development, in a way, is a continuation of our previous unit, which is on social and human development. The human development approach goes beyond growth as an indicator of development, to assessing other more important indicators, which directly address the issue of well-being and empowerment. It asks the question who gets what from the development process. This unit too addresses the same question with reference to women.

Though women constitute nearly half of the total human population their share in the fruits of development is abysmally low. This low status has raised the issue of what development ought to be. Gender perspective, it is felt, has to be an integral part of any development process. Women have always been a part of the survival of any community.

Not only have they taken up the primary responsibility of rearing the young and integrating them into the ways of society they have also worked towards the fulfilment of the everyday needs of the family and the community. Women cook, clean, wash, gather food and fuel, till land, work in offices as labour, etc. However, only some of their work is acknowledged. This has been the root problem of looking at women as separate entities and not as an integral part of the development process. With increasing debates on these women's issues there has been an acknowledgement for the need to add a gender perspective into the development discourse. In this unit we will address issues related to this, we will also look at the Indian scenario and examine various planning initiatives to see how far we have reached in making women an integral part of development discourse. Before we go on to do that we will first try and understand what we mean by the term gender.

11.2 The Concept of Gender

When we use the terms male and female, we commonly refer to the anatomical differences between these two sexes. When we use the word gender, however, we are going beyond anatomical or biological differences between male and female to their socially constituted roles and status. For example when one uses the word femininity the social expectations of feminine qualities may be nurturing, caring, delicate, irrational intuitive, submissive, non aggressive, etc. When a woman does not meet these social expectations of feminine attributes, she may be considered not female enough or transgressing her role either as daughter, mother, sister, all of which have some role expectations. These roles as you might be aware are socially conditioned and arise of structures of power. In a patriarchal set up the entire system is geared towards keeping women at a lower level. The tilt of power and status in such institutional differentiation clearly favours the male, with the establishment of asymmetric relationships of dominance. However, despite such divisions being almost universal, nuances and impacts of gender varies significantly across situations and contexts. As a variable of social stratification, gender has to be analysed in association with other variables like class, race, ethnicity and caste.

Gender relations contribute to the social meaning of female and male and thus defend on the considerations of appropriate behaviour and activity for women and men. The focus of gender in practice is on social roles and the nature of interaction between women and men. The valid understanding then is that gender relation are also social relations and not biological or natural. When accessing development with reference to women we are in essence trying to understand this gender aspect of women.

Having understood the term gender let us now look at how women’s issue came up in development discourse. Gender is one of key terms for social analysis. It is important to understand the social, economic, political and cultural forces that determine how men and women participate in and benefit from the development process.

Box 11.1: Simone de Beauvoir (1949) on “Second Sex”

In her book *Second Sex*, Simon De Beavoir, a French writer and feminist wrote: “One is not born, but rather becomes, a woman. No biological, psychological or economic state determines the figure that the human female presents in society; it is civilisation as a whole that produces this creature, intermediate between male and eunuch, which is described as feminine. Only the intervention of someone else can establish an individual as another”.

Like all other social relations, gender relationships are also affected by and have an effect on, how societies and economies change over time (Pearson, 1992). The processes of socialisation and social relations of production have a distinct impact on the location of women’s lives across countries and regions.

11.3 Women, Gender and Development

Much of the formative intersection between the ideas of feminism and women in development took place during the context of the U.N. “Decade of Women” -1976-85. “Equality, Development and Peace was the slogan that was proposed at the International Women’s Year Conference in Mexico City in 1975. Equality was seen as an issue that came from industrilised West, peace from the Eastern Bloc and development as a key issue that concerned Third World women. What exactly constituted key women’s issue was constantly being debated and it was eventually realised that women’s issue should not be kept as a separate section (see Box 11.2 for more details).

Box 11.2: Emerging issues in U.N. Decade of Women-1976-85

Women were proposing new visions of development towards which several international meetings in the late 1970s and 1980s made public declaration about feminist visions of development from a global perspective. Following are some of the major international meetings with their vision and plan:

Asian and Pacific Centre for Women and Development (APCWD), 1979, held in Bangkok was sponsored by UN. “It proposed one of the first global definitions of feminism as an ideology with two long term goals:(1) The achievement of women’s equality, dignity and freedom of choice through women’s power to control their own lives within and outside the home and (2) the removal of all forms of inequity and oppression through the creation of a more just, social and economic order nationally and internationally”(cf Tinker 1990: 77). One of the paramount goals of feminist vision of development was empowerment of women.

Workshop on “Developing Strategies for the Future: Feminist Perspectives”, 1980, held in Stony Point, New York. It approached development as political process and stated dissatisfaction with limited definition of development, which confined itself to economic indices such as GDP. It asked for integrationist approach and empowerment of women.

“Dakar Declaration on Another Development with Women”, 1982, was held in Senegal. The declaration “believed that the most fundamental and underlying principle of Another Development should be that of structural transformation, a notion which challenges the economic, political and cultural forms of domination, at the national, international and household level” (Ibid: 79).

Nairobi End of the U.N. Decade World Conference, 1985: A Third World Women’s Group was formed to define the issues of development from the “vantage point of women”- DAWN(Development Alternatives With Women for a New Era). It called for cultural diversity of women’s movement and issues but a structural unity in trying to understand subordination. It emphasized the active involvement of women in structural transformation and a deep commitment to self -reliance, which rests on indigenous culture rather than on Western models.

Source: Tinker 1999.

It is this continuous realisation of women’s integral role in development process that brought in concepts such as “Women in Development”. The Women in Development (WID) approach promotes women’s integration in development efforts by focusing on women, looking at how the process of development has made an impact on the position of women in society. The study of women in development focus upon development and the economics of development i.e., the distribution economic benefits rather than its growth singularly. The key question in such contexts is essentially “who gets what”. Indicators of human development show that women have an unequal share in the processes of development and they are often endowed with negative development merits. When resources are stretched, then, it is women, the most marginalized in the first place, who suffer first and most. Women have the smallest share of the resources pie of the world; when its pie shrinks women’s losses are greatest”. (Seager and Olson 1986). The World Bank’s early Women in Development programme tended to treat women as a special target group of beneficiaries in the various projects and programmes. However “a major criticism of the Women in Development approach is that it treats women as beneficiaries. It starts from the premise that women have been excluded from development. But women’s time, energy, work and skills are involved in every aspect of the development process; it is the inequality of gender relations and the continuing subordination of women that ensure that women’s contribution is not matched by recognition and remuneration in social, political and economic terms” (Pearson 1992).

The problem with the women in development approach is that it targets women in order to make them a part of mainstream development while ignoring the fact that women are already an intrinsic part of the development process. Women are always there. The understanding of women's 'free labour' is that there is no need to compensate it, and subsequently there is no cost in terms of resources allocated. The 'real' picture, however, is that female domestic labour provides a critical and necessary support enabling the male workforce and society to function. Women's role in society is a combination of productive and reproductive role. Women's productive role includes all tasks that enhance the income and economy of the household and the community, e.g. crop and livestock production, handicrafts production, marketing and wage employment.

Reproductive activities are those carried out to reproduce and care for the household and community, including the activities involved in fuel and water collection, food preparation, child care, education, health care and home maintenance. These activities tend to be viewed as non-economic, generally carrying no monetary compensation and are usually out of the budgets of the national income accounts. Women's role in society in reality is life-sustaining. According to Sen and Crown (1988), "in every society women's daily invisible efforts to feed, clothe and nurture their families are the actions that sustain their communities". This reality of social reproduction, derives from a sexual division of labour that is tied to gender division and male dominance.

While sex is a physical distinction, gender is social and cultural. Moghadam (1994) finds that the division of labour between men and women is a matter of gender roles and not sex roles - determined by culture rather than by sex and the key to understanding the division of labour patterns is in the culture rather than in human physiology or anatomy. Moreover, culture is not a constant but a variable with the extent of its impact depending on factors like the depth and scope of development, state policy, the class and social structure.

While a woman in development refers to the current situation of people, it tends to demarcate "women" as a separate practice area. The frame of "Women in Development" (WID) has been supplanted by that of "Gender and Development" (GAD), since the late 1980s. The latter broadens the scope of intervention to include systemic relations of inequality involving the relations between both men and women, together with a critical look at the entire development perspective, process and the underlying assumptions. The gender and development approach to policy framework includes modalities of reflecting ways in which men and women relations constrain or advance efforts to boost growth. The gender empowerment approach as defined by the European Commission (1993) identifies "women's participation in decision-making. It seeks to increase self-reliance and self-confidence so that they will become more active players in society." Gender empowerment redresses the imbalance in the status of women through affirmative action to improve the quality of women's lives.

Reflection and Action 11.1

Women, as we have been mentioning, have always worked for the survival and needs of a family and the larger community and society. Yet they are paid wages or salaries for only some of the work that they are engaged in. Given this state of affairs attempt the following activities:

- 1) Make a list of work that women do for which they are not paid any wages.
- 2) To make this list we encourage you also to a) actively observe the women who do this work, in your everyday settings, and b) talk to them about how they feel about their work.
- 3) Based on this observations and your talk with the women, write a report on women's work and share it with your fellow students or coordinator/teacher.

11.4 Gender and the Constitution: Women in India

There is growing criticism against the top-down approach and growth oriented development perspectives, as they fail to consider women as an integral part of development and as they continue to add to the growing inequalities between the haves and have-nots, women being the have-nots. Let us see in what way India has been addressing women and development. To get a sense of where we are, we need to understand where the foundations are and for that we will first examine the constitutional guarantees and in our next section the planning and policy issues with regards to women.

The underlying principles of the gender role presumed by the Indian State are embodied in the Indian Constitution, which is foremost among the basic documents which declare the intention of the Indian State. The primary imperative for women's equality is rooted in Part III (Fundamental Rights) of the Constitution. The sub article of Article 15 dealing with the Right to Equality lays down:

"The State shall not discriminate against any citizen on grounds only of religion, race, caste, sex, place of birth or any of them."

Further, the Constitution in the same article at sub-article (3) lays down: "Nothing in this article shall prevent the state from making any special provision for women and children".

The Constitution thus gives equal status to women as citizens, while also taking into consideration some special disabilities which the State may come forward to rectify through affirmative action. Para IV of the Constitution of India, dealing with the "Directive Principles of State Policy" has references to the principles to be taken into account by the State wherein concern for women is exhibited (Desai 1994). Articles 39, 42 and 44 refer to certain principles which may not be enforceable in the courts of law, but provide guidance to the state treating women as equal citizens. However certain other sections of the Constitution like the Right to Freedom of Religion, as embodied in Articles 25 to 28, as interpreted by the State legislated in the form of personal laws, fundamentally deny equality to women in almost all basic facets of her life. They deny equality in personal, economic, sexual, social, educational, cultural and even with regard to her right to body as well as with regard to hold certain beliefs, values and norms and codes of personal conduct (Ibid).

Further, the economic assumption, embodied in the Constitution, as formulated in the Articles 23 and 24 in the Fundamental Rights, dealing with Right against Exploitation, does not consider the day-to-day immense and incessant appropriation of surplus labour of women, witnessed in every family, as exploitation, not to mention how women invariably are paid less for their work than men. Right to freedom of religion and right against exploitation are fundamentally discriminatory against women and while not agreeing to designate women's labour at home as exploitation, it has been supportive of gender bias of the state. The state permission to personal religious laws, permits the world on religious prescriptions of varied discriminately norms and practices towards women. Personal laws orient towards the domestic 'private' space. The Constitution mostly addresses itself to the 'public sphere' personal laws, having implications on the private life, essentially family life has holistic implications for shaping women's status, position, rights and obligations in society. The relegation of women in the private sphere through personal laws, has transformed the entire issue of gender justice and development into individualised and limited pathologies to be dealt with by specialised bodies.

The manner in which social policies discriminate against women and prescribe certain tasks and behaviour of development reveal the essence and values that are the guiding factors of the state. The understanding of what women's consciousness should be is conjured with the state's definition of femininity and this definition of femininity is not marginal but absolutely central to the purposes of welfarism (Elizabeth 1989).

Reflection and Action 11.2

We have a series of mandates and provisions that have been incorporated in our constitution that attempt to raise the social status of women in India, as well as number of legislations which have been enacted.

In what way do you think these constitutional provisions and enactments have helped to raise women's status in India? Illustrate your answer with an example from your own life's experience.

11.5 Development Planning in India

Early development planning in India, since the 1950s identified social welfare services as the only category which tackled problems of women, among the other target groups. Such an approach was the outcome of the understanding of women as a category for whom special (and separate) programs, services, safeguards, etc. were put in place. Social Welfare Services targeted to reach out to vulnerable groups divided into several categories.

The Central Social Welfare Board (CSWB), set up in 1953, was confronted with the arduous problem of the lack of any governmental machinery and for welfare related activities it undertook the task of promoting welfare through voluntary organisations. It also encouraged women's organisations to take up such activities in partnership with government. As part of this strategy women's organisations were promoted, especially those working with the grassroots. *Mahila Mandals* were promoted as 'delivery mechanisms' for essential services like education, health, especially for maternal and child health, both by the CSWB and the Community Development Programme through the first and the second Five-Year Plans. According to Vina Mazumdar, this combination of institution building and woman resource development was also expected to prepare women to participate in the political and developmental processes. Thus though the language of these strategies reflected contemporary meaning of 'welfare', there was a conceptual thrust (even though inadequately articulated) towards actively involving and stimulating the participation of women's organisations in the process of change. However, increasing bureaucratic control, top-down designing and streamlining of programmes and declining resource support to organisational and institutional development from below both reflected and contributed to the low priority and non-serious approach to basic issues in promotion of gender equality.

The Third, Fourth and the Fifth Five-Year Plans saw a decline in support to strategies of organisation building and human resource development. The Report of the National Committee on Women's Education (1958-59) saw some priority being accorded to Women's Education. From the period of the Third Plan there was a distinct rise in the priority according to the issue of population control. Directives from the Planning Commission, from the 4th Plan onwards, failed to integrate Family Planning with Maternal and Child Health (MCD) planning for supplementary nutrition of children and nursing and expectant mothers from poverty groups were not integrated with MCH. The Community Development Programme (1952) was another significant step in the early years of development planning. It aimed at decentralised development in the rural areas through community efforts. In the sections to follow let us look at various plan strategies and policies to see how and what place women had in the development process.

11.6 The CSWI's Critique and Parliamentary Mandate

In the year 1971, the Ministry of Education and Social Welfare, Government of India appointed a committee called Committee on the Status of women in India to study the status of women in India. The Ministry was acting on a UN request for a status of women report for International Womens' year in 1975. The Committee had two tasks: (i) to examine the constitutional, legal and administrative provisions that have a bearing on the social status of women, their education and employment and (ii) to assess the impact of these provisions.

The Committee came to the conclusion that there was an increase in the marginalisation of women in the economy and society. The CSWI report *Towards Equality* (1974) found demographic trends of declining sex ratio, disparities in the life expectancy and death rates between men and women; and the difficulties involved in women's access to literacy, education and livelihood. It was of the view that the Indian State had failed in its constitutional responsibility of gender equality. The planning process for development in agriculture, industry, fishery, livestock, etc. and other important sectors of the Indian economy, contained no acknowledgement of the millions of women involved in these sectors due to livelihood reasons. This process of marginalisation of the large majority of women in the economy, together with their neglect and devaluation by the society with the support of the state, definitely demonstrated gender bias. The increasing investment on education, health and the opening of public employment opportunities had benefited a very small section of the female population. This privileged section of women were again threatened by escalation of social practices like dowry, inequality meted out as a consequence of the personal laws, the non-enforcement of the existing laws, which sought to offer protection to women (like the labour laws or criminal laws) and lack of women's overall "visibility" in the sense of the inclusion of their needs, concerns and perspectives in the planning process.

Even though the parliamentary debate on the *Towards Equality* report sought the removal all disabilities that Indian women continue to suffer from. The declaration of National Emergency (1974-77) within a few weeks after it has been tabled in the Parliament pushed back any serious action on the CSWI recommendations.

11.7 Post-Emergency Planning of Women's Development (1977-80)

The period between 1977 and 1980 witnessed significant policy review exercises by the government. Among them were the Report of the Working Group on Employment of Women (1977-78), Report of the Working Group on Development of Village Level Organisations of Rural Women, 1977-78, Report of the National Committee on the Role and Participation of Women in Agriculture and Rural Development (1979-80). These review exercises constituted a substantive base to the conceptualising of fundamental problems and strategies for women's development in India. The Indian agenda of women's development got incorporated into the United Nations' mid-decade Programme of Action, mediated through the Non-aligned Movements, special Conference on Women and Development in Baghdad, 1979. India gained membership of the Commission on the Status of Women (1978-80) and the preparatory committee for Mid-Decade Copenhagen Conference (1980) and Programme of Action. India's contribution to the emphasis on Third World perspectives on development was acknowledged during the mid-decade conference and there was the consequent adoption of employment, health and education as a sub-theme of the decade's agenda.

Vina Mazumdar's examination of the conceptual approach enrolled through these few years identified women's development needs as having multiple dimensions, cutting across economic, social and political sectors requiring explicit examination of women's situation on various sectors. She called for earmarking of a share of various sectoral allocations for women, instead of limiting it to women specific programmes or agencies. She also called for promotion of rural employment and development. Through women's own collective organisation, organisations such as SEWA, etc. which were paving the way towards such path.

The Sixth Five-Year Plan released in December, 1979, marked a new beginning as it included a separate Unit on women. Till this time, women's concerns were always subsumed under sectoral approaches in health, education, rural development, agriculture, etc. This Unit was a first attempt at a holistic planning for women. It stated that the objective of population control could not be achieved without bringing about major changes in the status of women. This Plan suggested the need for "administrative innovation" and the "collection of sex-wise distribution data on development assistance, thereby urging for better information, together with mechanisms to ensure women receiving their "due share" of government's attention and support and "equal opportunity for growth and distributive justice".

These principles of women's involvement in the planning process also sought to extend support for organisation of rural women similar to organisations of the rural poor in the effort to improve their "bargaining power and access to development assistance". However, the new Planning Commission set up in 1980, reverted women back to the social services and put on hold the outward looking strategies, approaches and perspectives developed for women. However the intervention at this stage, by the national women's organisation, made a definite impact upon the planning process. A period of partnership began between the few cells on women that had been set up within the Ministries of Labour and Employment, Social Welfare and Rural Development, and the growing women's movement and women studies scholars. Seven women's organisations got together to submit a joint memorandum in 1980, gathered support from women members of the Parliament and thereby persuaded the Planning Commission to incorporate a Unit on Women and Development in the Sixth Plan. This was a landmark achievement in India's Planning history.

11.8 The Sixth Plan Unit on Women and Development

The Unit on Women and Development acknowledged women's lesser status in society and traced it to the inadequate opportunities of "independent employment and income", and demographic trends (higher mortality, lower economic participation, literacy, sex-ratio, etc.). It defined a multipronged but inter-dependent strategy for women's development which would be dependent on the total development process. Regarding "cases of transferred assets, such as agricultural and homestead land", the redistribution policies of the government promised that "government shall endeavour to provide joint title to husband and wife". It also advocated strengthening of the grassroots women's voluntary organisations, which were envisioned "as channels for women to participate effectively in decisions that affect their lives and for promoting adequate development efforts for women at different levels". For education, special support services were to expand women's access to all types of education. The institution of a women's quota and magic figure of one-third made its first ever appearance within the TRYSEM programme. The Sixth Plan also proposed "corrective measures" in sectors where women's employment is low or on the decline.

11.9 The Seventh Five-Year Plan (1985-90)

The Seventh Five-Year Plan emphasized provision of gainful employment to women and youth. It reiterated strategies of organising women around socio-economic activities in order to succeed in the twin objectives of making their projects economically viable and also of adding social strength to enhance their overall status. For the first time there was use of “feminist language”, as against the predominantly patriarchal preference to confine women to an oppressive environment, in Unit 14 of the actual plan document. This period that coincided with Prime Minister Rajiv Gandhi’s gruesome assassination, was a period of change within the government. It was however, a period of optimism for women’s cause both inside and outside the government. The Government of India hosted the 2nd NAM Conference on Women and Development to offer inputs to the end of Decade UN Conference which was to be held at Nairobi. India’s approaches, both official and unofficial, at the ILO sponsored Afro-Asian Conference on Rural Women’s Organisations and Development, earned encouraging appreciation. The Department of Rural Development announced a 30% quota for women in anti-poverty programmes for rural areas. Steps were taken to initiate gender sensitisation as a mandatory part of training of rural development officials.

The new government at the centre formed a full Department of Women and Child Development, under the Ministry of Human Resources. It included the development of education, culture, sports and youth affairs among women. Pressures from the women’s movement and internal struggle within government led to the incorporation of two paragraphs on Education for Women’s Equality with the National Policy on Education. For the first time, a message appeared that together with expanding women’s access to all kinds of education, the system with all its institutions, had to shoulder a major responsibility for genuine empowerment of women, through change in the social construction of gender.

Yet another breakthrough in this Plan period was the issue of effective representation of women in Panchayati Raj institutions. Initially the CSWI’s recommendations in this regard had been shelved. Efforts were made to begin a debate on them by the Secretary, Social Welfare from January, 1985. The results took shape in two years time. Preparations for a National Perspective Plan (NPP) for Women were started under the aegis of the Department of Women and Child Development. The National Commission for Self Employed Women (NCSEW) was set up to articulate the problems, needs and aspirations of working women in this poverty sector. The NPP (1988) wanted an increase in women’s participation and presence at decision-making levels — in local self-government bodies, State Assemblies and Parliament and suggested 30% reservations at all these levels.

The NPP was heavily critiqued by the women’s movements. Finally the 73rd and 74th Constitutional Amendments came about in 1992. They conferred constitutional status on these bodies, mandated regular elections, wider powers/resources and reserved one-third of seats for women at various levels of the local bodies. On the issue of reservation for women, the women’s movement organisations rejected suggestions of nomination to build up a critical mass as undemocratic and subversive of the constitution. They also rejected reservation in State Assemblies and Parliament. However in the case of the Panchayats and Municipalities, demand was made for achievement of a critical mass, which could throw up new leadership and new concerns from the more marginalised sections.

11.10 Eighth Five Year Plan (1992-97)

Part I of the Plan document mentions women only in the context of the need for population control. In Part I of the Sectoral units, mention is made of

women only in contest of women-specific programmes. The principles of a women's quota or a ear-marked share of allocations are not mentioned.

References

The new features in the section of women's development include a paragraph on violence against women and a two-page "Situational Analysis", which highlights the problems of higher mortality, lower education and increasing unemployment of women", the conceptual, methodological and perception biases regarding value of women's work, compounded by women's concentration in the informal sector resulting in casualisation, non-protection of labour laws and inaccessibility to credit, technology and other types of development assistance. The girl child got a paragraph for the first time, with the promise of "special programmes".

The National Commission for Women Act was passed in 1990 whereby the autonomous national commission for women was set up through an enactment act to act as a statutory ombudsperson for women, reviewing laws and policies and intervening selectively in individual cases of violation and denial of women's rights. In 1991, the National Plan of action for the Girl child set up time-bound recommendations for the survival, protection, development and participation of girl-children, with emphasis on non-discrimination and the universality and indivisibility of rights. The draft National Policy for Empowerment of Women (1996) put together policy directives for securing gender justice and gender equality and for the mainstreaming of gender considerations.

11.11 The Ninth Five-Year Plan (1997-2000)

The Ninth Plan had important objectives for women. The approach paper of the Ninth Plan focused on the issues of empowerment of women, decentralisation and people's participation in planning and implementing strategies. For the first time in the history of planned development in India, the empowerment of women was adopted as one of the objectives in the Ninth Plan. The approach paper also declared a strategy of drawing up a women's component plan for every sector which would identify the inflow of benefit to women and carryout a gender appraisal of past performance in the sector. In the field of development, for the first time, the need for reservation of seats for women in Parliament and the state legislative assemblies were discussed. The Plan proposed to ensure 30 per cent representation of women in the public sector and provides for a larger entry for women, in the premier civil services. In the field of health, the emphasis would as usual be on reproductive health. In education, besides gender equality, plans would be initiated for free education of girls upto the college level and greater vocational training for them. To increase women's participation in the industrial development of the country, the Plan proposes to set up a "Development Bank for Women Entrepreneurs" for assisting them in the small and tiny sector. In agriculture, a greater assistance and share was called upon through rural development employment schemes. The most important resolve of the Plan was to have a special women's component in the Plan to ensure 30 per cent flow of funds to women development sectors.

Reflection and Action 11.3

- 1) How are governmental policies and plans different from civil society initiatives, like NGOs, with regards to women's issue of development?
- 2) List five government initiated efforts that have helped women's cause in India.

11.12 Policy and Planning for Women

A review of policy formulation and planning for women's development in India reflects the lack of effort in planning and policy formation for women in the

states. There is very little conceptualisation regarding women's needs and the necessary formulations required to give them a larger share of development. Only a few states of India have policies for women's development. The efforts are inadequate and do not meet the requirements. Initiatives have come mostly from the central government.

For a federal state that India is, the success of any development process is a far cry unless the state governments fully realise their responsibility to raise the status of women. Greater involvement of grassroots organisations through the political process would be one of the mechanisms for the achievement of women's empowerment. Further, for gender equality to be fully achieved, it has to be integrated in all development programmes of the country.

11.13 Conclusion

Through the various sections in this unit we learned the concept of gender and the place of women in development perspective both in a general as well as Indian context. We have seen how the gender empowerment approach identifies women's participation in decision-making as the key to success. Its goal is to increase self-reliance and self-confidence so that women become active players in society. Incorporation of gender into the development process acknowledges that women and men experience development differently according to their social position, race, class, colonial history, etc. Structures and situations are required to be addressed at multiple levels so as to ensure that women gain increased access and control over critical material and non-material resources. Further, the focus of gender based development is on gender relationship that determine the existing inequities. Measures include credit, training, skills and resources needed for productive decision-making processes and community power structure. Development of women implies their access in overcoming the underlying structural inequalities. Gender in development is the approach that seeks to redress women's status through affirmative action in improving the qualities of women's lives.

11.14 Further reading

Tim Allen and Alan Thomas (eds.) 1990. *Poverty and Development*. Oxford University Press: Oxford

Seth, Mira 2001. *Women and Development: Indian Experience*. Sage Publication: New Delhi

Unit 12

References

Micro-Planning

Contents

- 12.1 Introduction
- 12.2 The Concept, Need and Objectives
- 12.3 The Background of Micro-Planning in India
- 12.4 Approach and Strategies
- 12.5 Advancement of Primary Education Through Micro-Planning
- 12.6 Micro-Planning: The Need for a Holistic Approach
- 12.7 Conclusion
- 12.8 Further Reading

Learning Objectives

This unit helps you analyse the:

- concept, need and objectives of micro-planning;
- background pertaining to the emergence micro-planning as a concept of development;
- strategies of micro-planning; and
- advancement of primary education through micro-planning.

12.1 Introduction

The previous two Blocks dealt with various perspectives on growth oriented development as well as theories that originated as a response or critique to those perspectives. Apart from these theoretical perspectives there are some issues such as the need for community participation in planning and development, environmental sustainability etc. have become a part of contemporary development discourse. In this Block we will be discussing some of these issues in detail.

In a diverse country like India, the concept like decentralised planning has got under-acceptance as it takes cognizance of the dimension of planning and local resources to be utilised for the execution of the planning. Micro-planning or area planning has been an important component of decentralised planning.

In India micro-planning works as a bridge between national orientation of planning and the localised needs. This unit introduces you with various dimensions of micro-planning. The aims, objective and concept of micro-planning at the outset, and the historical background of micro-planning. Its needs are also specifically spelt out. The approach and strategy required for the successful implementation of micro-planning are also examined.

12.2 The Concept, Need and Objectives

Micro-planning is a crucial aspect of development. At the outset let us get clarify with the concept, need and objectives of micro planning. Micro-planning is a crucial aspect of development.

a) The Concept

The term micro-planning is used in many different ways and in vastly divergent contexts. In fact, the term micro-planning remains rather vague unless the actual level of planning is defined. Nowadays a more fashionable term “area planning” is often employed as a synonym of micro-planning. In essence, the

term micro-planning implies multi-level and decentralised planning approach to the overall development of a country.

Micro-planning is essentially a spatial development planning which tends to utilise all kinds of available resources – natural, human and others to the fullest extent. It attempts to distribute the fruits of development among regions and social groups within the region, which can minimize the socio-economic imbalances and improve the living conditions of the masses. In other words, micro-planning is concerned with the ordering of human activities for socio-economic transformation in “supra-local space” in an agriculture based rural economy as against supra-urban space for an urban dominated economy (Singh 1982: 2).

In India, the concept of micro-planning has emerged in order to maintain a balance in “planning and development” between national priorities and local needs. Micro-planning as a development strategy got some importance out of a realisation that general planning done at the national level does not automatically ensure its applicability at local levels, for each area has its own personality, potentiality and needs. A successful plan, therefore, must be sensitive to these micro-level variations, while taking into account the limitations posed by national priorities, resources and investment of funds.

b) The Need

In the development policies of the developing countries like India, the issue of social equity and balanced spatial development has, now, come to the forefront. For this, greater emphasis has been laid on local level or regional/area approach to planning as against the macro-economic sectoral approach. It has been done out of a comprehension that micro-planning, in its true perspective, tends to be much more responsive to the emerging socio-economic problems at various territorial levels.

Micro-planning is suggested for the allround socio-economic development of a geographically diverse country like India against the single national level sectoral planning. Because the space in which the people live and work is real and to ignore the space and its community is to ignore the basic reality of interface between habitat, economy and society. The central argument of micro-planning is that as resources for development are space-bound that planning must be within the spatial framework so that human, natural and all other resources may be utilised fully and benefits of development may be distributed evenly. It may thus help to overcome the possibility of any further regional disparity in fostering economic growth and development.

In order to carry the benefits of development to the poor, to ensure the continuity of balanced growth and to provide social justice, micro-level approach to planning was recommended. It was thought by some experts that micro/regional planning, as such, may take the planning objectives and strategy at the national level for granted, and especially addressed itself to the specific spatial features emerging in the formulation and operation of a national plan in a particular region (Gadgil 1967: 6). Strategically, micro-planning helps in fixing priorities for different regions depending upon their specific needs. And also for the successful implementation of the macro-level planning, micro-planning is often considered necessary.

c) Aim and Objective

The aim in ‘micro-planning’ is on planning from the lowest level i.e., from the functional community upward to a clearly defined region to fulfil the need of the local areas and ensuring the process of integration of the different areas with an objective to attain balanced regional development. Therefore, location of specific socio-economic activities and their inter-linkage over a region or particular geographical area are the major concerns of micro-level planning.

Micro-planning takes into cognizance the evolution of the spatial pattern of human activities without which economic, social and environmental goals of planning cannot be achieved upto expectation. It is thus put greater emphasis on those sectors which support the people of lower income groups, particularly the poor and the weaker sections in rural areas with an aim to offer them a better quality of life and ameliorating their deplorable socio-economic conditions. Thus, to alleviate rural poverty and inequality, emphasis has been laid on spatial type of economic, social and environmental management through micro-level development planning. There is no denial of the fact that India's approach to development planning has been predominantly macro-oriented, emphasising national goals and priorities. Micro-planning, on the other hand, was developed to functionally maintain a balance between national priorities and local needs.

Reflection and Action 12.1
What do you mean by micro-planning? Highlight its need, aims and objectives.

12.3 The Background of Micro-Planning in India

Since the very beginning of Indian planning emphasis has been given on promoting a better standard of living of the people by efficient exploitation of resources of the country, increasing production and offering opportunities to all for employment in the services of the community within an ideology deeply rooted in the concept of democracy and socialism (Singh 1969: 254). For achieving these objectives, special significance has been laid on the welfare of the rural areas and the weaker/backward sections. But in reality, a larger share of the benefits has been appropriated by some privileged/forward classes as well as a few economically developed/advanced regions of the country. That has resulted in mass rural poverty, unemployment and underemployment, and social tension particularly among the weaker sections of rural population, and ultimately brought into being regional disparity and sectoral imbalances.

The first two Five-Year Plans of India made no effort in the direction of micro-level or regional planning and development. During the Third Plan, the regional focus in planning became more explicit and for the first time, it gave a serious thought over the problems of regional development. But due to lack of proper national policy with regard to spatial dimensions of planning, the micro-level regional approach to development could not be initiated in the actual planning strategy.

The Fourth Five-Year Plan (1969-74), however, noted that certain regions in the country are advancing at the cost of others and that certain sections of the population who already have some resources are prospering, while an overwhelming proportion of the population has generally remained outside the mainstream of economic progress. In order to correct some of these regional imbalances, it had emphasised the need for 'micro' planning (district level) on the assumption that plans made at the national and state levels can be brought down to the people of more lower levels in a much more efficient manner. So the Fourth Plan put considerable importance to planning at the district level and to experimental studies on 'growth centres' for evolving an appropriate micro-planning strategy at the grass-root level (*Fourth Five Year Plan* 1969: 229-30).

The Fourth Plan, in fact, marked a watershed in Indian Planning by emphasising the need to strengthen regional development through some kind of micro-planning. For the first time in Indian planning, it stressed upon the necessity to strengthen micro-planning at district and lower levels. The Fourth Plan initiated micro/regional planning from the grass-roots under the name of area development taking due note of regional resource potentialities and limitations.

It was strongly felt by the planners and policy makers that the planning exercise at the macro (nation/state) levels cannot take into account the local variations in resources and needs. Hence, an area development framework drawn up at the district and block levels was considered to be more realistic than one formulated at the state level. Therefore, for micro-level regional planning, initially, district was selected as a planning unit.

With the aim to accelerate development of backward areas and to reduce regional disparities in socio-economic advancement, the concept of integrated area development had emerged for sustained development of the targeted 'area'. Various models like growth centers, growth poles, service centers, central place, etc., had been advanced during the Fourth and Fifth Plans to serve the hinterlands of backward and tribal areas taking into consideration the economic base and population potential of that area. Integrated area development thus referred to the appropriate location of social and economic activities over a physical space for the balanced development of a particular region. The concept of integrated area development therefore offered a new framework for decentralising economic and social activities by locating specific functions in appropriate places (Sen 1972: 3-9).

Reflection and Action 12.2

Write a short note on the historical background of the micro-planning in India.

12.4 Approach and Strategies

Micro-level planning is considered as a method to bring about integrated area development in the countryside. It is, however, not limited to any particular settlement. Micro-planning takes a whole hierarchy of central places and its hinterlands as its focus. The emphasis in micro-planning is a planning from the lowest level upward to a clearly defined area or region. In many cases, this region may be co-terminous with the district. In doing this, the needs of the local areas as well as the purpose of regional development are served. The location of specific socio-economic activities and their interlinkages over a region are major concerns of micro-planning (Ibid).

The national plans while providing a broad framework of development, strategically, micro-planning helps fix priorities for different regions depending on their specific need. It has been realised that without micro-level planning, no national plan can be properly implemented. At the same time, without national priorities, no micro-planning is possible. Therefore, for all practical purposes, both the 'macro' and 'micro' methods of planning are complementary to each other, and their combined use is essential in bringing about an overall socio-economic development of the country. Or, to put it in another way, to make any development planning effective, there is a need to follow a two-pronged approach working simultaneously and in a coordinated way from the grass roots level up, and the national level down (Singh 1999: 247).

Micro-planning, in its true perspective, attempts to address the emerging socio-economic problems at various territorial levels. It offers a planning within a spatial framework so that all kinds of resources and endowments may be utilised fully and the fruits of development could be equally shared socially. At some point, micro-planning is often made synonymous with 'regional' and 'area' planning. From policy considerations, micro-planning provides a realistic approach for the socio-economic development particular for a country like India where regional disparities and imbalances are acute and problems of poverty and unemployment are alarming with specific features in the rural areas. It emphasises spatial process of development within the broad framework of the national plan giving due consideration to the spatial problems, resources and needs at the grass-root level.

The basic idea behind the micro-planning is to offer a “grass-root” approach in discovering growth potentials and various impediments to development spatially. In 1970s, the “growth centre” model had been identified as a basic tool for micro-level planning and development in rural India. In micro-planning, major emphasis has been given to the development of weaker sections of the population and of the backward regions/areas.

The concept of micro-planning was developed to bring planning efforts to district or block level for a balanced growth of all regions and all sections of population. Micro-planning came as a real breakthrough in the area of planning by offering a scientific local plan at the micro level. Taking into account the geographical scope of micro-planning within which various development programme can be effectively organised and implemented, “micro-regions” were identified as suitable units for the formulation of area development plans because they were found sufficiently close to grass-roots and afford opportunities for direct and active people’s participation and implementation of the plan.

The spatial process of development, being the sole criterion for micro-planning, emphasises planning from the lowest level i.e., from the cluster of villages upward to a clearly defined region. The rationale behind micro-level area planning is that, there is hierarchy of settlements based on availability of services with specialisation in an area and population which need to be located at the most appropriate places. Micro-planning approach provides opportunity to the backward areas for development through different integrated area development programmes. It also offers a framework for decentralising economic and social activities by locating specific functions at appropriate places. Thus, location of specific socio-economic activities and their interlinkage over a region are the major concerns of micro-level planning (Singh 1982: 33).

The approach of micro-planning in later period also led to introduction of several new ‘area specific’ development programmes. The more prominent of them are the Command Area Development (CAD), Desert Development Programme (DDP), Drought-Prone Area Development Programme (DPAP), Integrated Area Development Programme (IADP), Hill Area Development Programme (HADP), Tribal Area Development Programme (TADP) and Whole Village Development Programme (WVDP). They are directed at specific areas or region which suffer from some disabilities or are prone to certain hardships.

Reflection and Action 12.3

Try to locate a micro-project operating in your area, collect information about, nature and source of fund, aims, objectives and achievements of this project. Based on your information write a three page note on the reasons for the success/failure of this project.

12.5 Advancement of Primary Education through Micro-Planning

The strategy of micro-planning is applied in various areas of social concern. As education is an important component of human development, in this section we shall be examining how micro-planning is used for advancement of primary education in India.

As you are aware education is in the concurrent list, both the central and the state government can make laws on education. Both the central and state governments have been expanding the provision of primary formal and non – formal education to realise the goal of Univerilisation of Elementary Education (UEE) since independence. There are several strategies formulated at the state, district, even at the village level to attain the objective of UEE. The

challenge now is to sustain and deepen current reforms in education and encourage local planning and management of strategies for expanding and improving primary education.

The National Policy on Education, 1986 and its policy of action (1992) envisaged the formulation of Village Education Committees (VECs) for management of elementary education. It emphasised on micro-planning as a process of designing a family-wise and child-wise plan of action by which every child regularly attends school continues his or her education at the place suitable to him/her and completes at least eight years of schooling (Government of India 2005).

The 73rd and 74th constitutional amendments provide for decentralisation of the activities and facilitate transfer of power and participation of the local self-government institutions or the Panchayati Raj institution. These institutions have widely been used by women, Scheduled Castes and Tribes, minorities, parents and educational functionaries for the implementation of the UEE programme at the grass-roots. As the Panchayati Raj institutions have also been delegated with responsibilities to location and relocation of existing primary and upper schools on the basis of micro-planning and school mapping, these have emerged as effective tools for decentralised school management at the village level.

Since the Eighth Plan period the District Primary Education Programme has shifted the planning mechanism from the state to the district level, and 'Lok Jumbish' has gone one step further by assigning decision making processes to a Block level committee. At the village level, a Village Education Committee has the main responsibility for community mobilisation, school mapping, micro-planning, renovation and construction of school buildings and improvement of pedagogical curriculum. A brief account of these community based programmes follows:

i) Community Mobilisation and Participation

At the grassroots, educational innovations are based on the strong foundation of community support and participation. When educational progress is discussed and analysed at different levels within the project, "people's acceptance and participation" is used as an indicator. Mobilising the village community to take responsibility to ensure quality education for every child, is the core strategy of both 'Lok Jumbish' (LJ) and *Shiksha Karmi* Project (SKP) in their efforts to universalise primary education and deliver quality education.

ii) Shiksha Karmi Project (SKP)

The SKP constituted VECs in 2000 villages also aims to promote community involvement in primary education and encourage village level planning. The role of the VEC is to mobilise resources for maintenance, repair and construction of school infrastructure, determine the school calendar and school timings in consultation with the local community and *Shiksha Karmis* (educational workers). The *Shiksha Karmi* Project (SKP) is being implemented since 1987, with assistance from the Swedish International Development Cooperation Agency (SIDA). The project aims at universalisation and qualitative improvement of primary education in the remote and socio-economically backward villages of Rajasthan, with primary focus on girls. Since teacher absenteeism has been found to be a major obstacle in achieving the objective of UEE, the project uses the novel approach of substituting teachers in dysfunctional schools with local youth known as *Shiksha Karmis* who are provided with rigorous training and supervisory support. An important feature of this innovative project is the mobilisation and participation of the community in improving the functioning of primary schools.

iii) Lok Jumbish Project

Lok Jumbish (LJ) project works to empower the locally elected people, especially the female representatives at village level, who are often active as members of the LJ core teams or women's groups. The Village Education Committees (VECs), are carefully formed and are trained to handle the LJ programme. Barely five years old, *Lok Jumbish* (LJ) has made an indelible impression in the primary education landscape of Rajasthan. The coverage of the project has extended to 75 blocks, covering a population of approximately 12 million. Significantly, it has also achieved a major breakthrough in welding together government agencies, teachers, NGOs, elected representatives and the people into an interactive group effort to promote universalisation of primary education.

The seven guiding principles of Lok Jumbish are:

- A process rather than product approach;
- Partnership;
- Decentralised functioning;
- Participatory learning;
- Integration with the mainstream education system;
- Flexibility of management; and
- Creating multiple levels of leadership committed to quality and mission mode.

Special focus has been given to environment building in all training programmes under LJ. This helps in the development of an understanding about issues involved in people's mobilisation, use of different media forms and clarity about the messages to be given to the people (Ibid).

Reflection and Action 12.4

Visit a government aided primary school functioning in your locality to collect information on the involvement of the local people in the management of the school. Also collect the information on how did the involvement of the local people affect functioning of the school and student enrolment and retention in the school. Write a note based on your observation in about 500 words.

12.6 Micro-Planning: The Need for a Holistic Approach

In India, micro-planning became a matter of concern and subject of study only in the early seventies of 20th century. The concept of micro-planning emerged taking in view the emerging socio-economic conditions of the country and the inadequacy of past planning efforts in checking regional disparities. Micro-planning is a novel approach for an integrated and balanced development of an area. The location of specific resources and socio-economic activities, and their interlinkages over a region are major concerns of micro-level planning.

Micro-planning addresses itself to the specific spatial features of particular regions laying due emphasis on local problems, varying widely in potentials, perplexities, resources, infrastructures and needs. In a nutshell, micro level planning is concerned with the allocation of resources of the planning entity concerned, to maximise whatever goals the entity may have (Singh 1999: 246).

Till the Third Plan, India had gone through the exercises of macro-level planning without evolving any micro-level plans for implementation. The Fourth Plan, however, envisaged the necessity of micro-planning in rejuvenating an under developed area by proper utilisation of the natural and human resources. It stressed upon the need to strengthen micro-planning at district and lower levels with an area development programme to provide infrastructure and

other growth requirements in each area. The proponents of micro-planning felt that the planning exercise at the national and state levels cannot take into account the local variations in resources and needs, hence, an area development framework drawn upon at the district and block levels was considered to be more realistic than one formulated at the higher level.

In case of any micro or regional planning, four prime considerations are involved for its actual policy formulation and successful performance. They are : (1) identification of the specific needs of the area, (ii) an accurate assessment of the limits and opportunities imposed on available resources of the area, (iii) selection of suitable strategy for development, and (iv) proper coordination at multiple spatial levels.

Moreover in preparing a comprehensive micro-level area development plan there is a need to integrate the economic and social goals into a single whole in a more coordinated fashion.

To conclude, in a country like India with its heterogenous composition of people and regions, the wide local variations in the levels of development calls for a different approach in which the plan is based on local resources potential and is sensitive to local needs. For this purpose micro-level regional and spatial planning could be proper instruments for promoting 'area-specific' development within the overall framework of the national plan. It could expedite rural transformation from the deplorable state of stagnation, poverty, unemployment and inequality to the progress, prosperity, self-employment and equity. However, if micro-planning is to be effective, micro-planning requires an interdisciplinary approach.

12.7 Conclusion

Even though the concept of micro-planning became a part of popular discourse, the concept varies from layman to policy makers. This unit familiarises us with the concept of micro-planning, its needs and objectives. It examines how the concept has been emerged in India and how it has been conceived in different Plans. Micro-planning is aimed at discovering growth potentials at grassroot level. Besides this, in India, micro-planning has been applied on various areas of social concern. In this unit we have seen how micro-planning is used for advancement of education in India. Finally it highlights the need for a holistic approach in micro-planning of human development.

12.8 Further Reading

Gadgil, D.R. 1967. *District Development Planning*. Gokhale Institute of Politics and Economics: Poona

Singh, Radha Raman 1982. *Studies in Regional Planning and rural Development*. Associated Book Agency: Patna

Singh, Tarlok 1969. *Towards an Integrated society : Reflections on Planning, Social Policy and Rural Institutions*. Orient Longman: Bombay

Unit 13

References

Ecology, Environment and Development

Contents

- 13.1 Introduction
- 13.2 Ecology and Sustainable Development
- 13.3 Environmental Concerns and Contemporary Social Theory
- 13.4 Consequences of Development on Ecology and Environment
- 13.5 Ecology Movements and Survival
- 13.6 Development Projects as Ecological Concerns
- 13.7 Internationalisation of Environment Concerns
- 13.8 Participatory Approach for the Management of Natural Resources
- 13.9 Conclusion
- 13.10 Further Reading

Learning objectives

This unit introduces you to the environmental and ecological issues of development by highlighting the

- relations among ecology, environment and development;
- consequences of development on ecology and environment; and
- concerns of the ecological movements.

13.1 Introduction

This unit introduces you with the interrelationship between ecology, environment and development. It begins with a discussion on the concepts and their development. It discusses the consequences of development on ecology and environment. The issue of degradation of environment, social pollution and destruction of forests are also discussed here. The major concerns of ecological movements have also been discussed here. The last section of this unit deals with a few development projects that have raised alarm among the environmentalists all over the globe.

13.2 Ecology and Sustainable Development

The term 'sustainable development' gained wide international currency in recent years with the growth of ecological understanding at local, national and international levels not only among the communities and movements but also, among Nation-States and Governments. Ensuring environmental sustainability the 7th Millenium Development Goal requires achieving sustainable development patterns and preserving the productive capacity of natural ecosystems for future generations.

Till the beginning of the 1980s in many countries of the world, ecology was not integrated as an essential element of development planning and therefore it was not seriously considered as a major issue. The economic expansion in the last century and half had alarming consequences for the global environment. Depletion of ozone layer, air pollution, loss of forests and bio-diversity, extinction of plant and animal species, loss of marine life, soil and water pollution have occurred at an alarming rate. On realizing the importance of environmental variations, problems created by them and their impact on human settlement, quality of life, developmental problems and changes in fertility, mortality and morbidity, the concept of ecology acquired prominence during the 1980s. It brought forth the realisation that the ecosystem had to be protected for the betterment of life in general.

Box 13.1: Ecology

“The word Ecology may be used as interchangeable with geographic environment and consequently ecological studies are often limited to the study of the direct effect of environment on the material culture of the people with simple technologies..... Social ecology is likewise concerned not only with direct response to environment where technology is unsophisticated, but also with the distribution and composition of groups necessary for the exploitation of natural resources, the indirect relationships which spring from these groupings and general conceptualisation of the cosmos associated with the specific habitats”.

Source: *Dictionary of Sociology* 1969: 62

The recent period in human history contrasts with the previous in its strikingly high rates of resource utilisation. Ever expanding and intensifying industrial and agricultural production has generated increasing demands on the world's total stock and flow of resources.

Development interventions aimed at commercialisation of natural resources involve a major shift in the manner in which rights to resources are perceived and exercised. The resource demand of development has led to the narrowing of the natural resource base for the survival of the economically poor and powerless, either by direct transfer of resources away from their basic needs or by destruction of the essential ecological process that ensures renewability of the life-supporting natural resources. For development to be sustainable it must take into account the social, cultural, ecological as well as economic factors of the living and non-living resource base, and the long-term as well as short-term advantages and disadvantages.

a) Sustainable Development

The Brundtland Commission, in its report, defined sustainable development as the “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. It contains within it two key concepts – the concept of “need”, in particular, is the essential needs of the world's poor, to which overriding priority should be given and the idea of limitations imposed by the state of technology and social organisation on the environment ability to meet present and future needs.

Thus the goals of economic and social development must be defined in terms of sustainability in all countries – developed/developing, market-oriented or centrally planned. Interpretation will vary, but must share certain general features and must flow from a consensus on the basic concept of sustainable development and on a broad strategic framework for achieving it.

Development involves a progressive transformation of economy and society. A development path that is sustainable in a physical sense could theoretically be pursued even in a rigid social and political setting. But physical sustainability cannot be secured unless development policies pay attention to such consideration as changes in access to resources and in the distribution of costs and benefits.

b) Colonial Domination over National Resources

For centuries, vital natural resources like land, water and forests had been controlled and used collectively by village communities thus ensuring a sustainable use of these renewable resources. The first radical change in resource control and the emergence of major conflicts over natural resources induced by non-local factors was associated with colonial domination of this part of the world. Colonial domination systematically transformed the common vital resources into commodities for generating profits and growth of revenues. The first industrial revolution was to a large extent supported by this

transformation of commons into commodities, which permitted European industries' access to the resources of South Africa. The transformation of commons into commodities has two implications — First, it deprives the politically weaker groups of their right to survival, which they had through access to commons; second, it robs from nature its right to self-renewal and sustainability by eliminating the social constraints on resource use that are the basis of common property management.

With the collapse of the international colonial structure and the establishment of sovereign countries in the region, this international conflict over natural resources was expected to be reduced and replaced by resource policies guided by comprehensive national interests. However, resource use policies continued along the colonial pattern and, in the recent past, a second drastic change in resource use has been initiated to meet the international requirements and the demands of the elites in the Third World, leading to yet another acute conflict among the diverse interest. The most seriously threatened interest in this conflict appears to be that of the politically weak and socially disorganised group whose resource requirements are minimal and whose survival is primarily dependant directly on the products of nature outside the market system. Recent changes in resource utilisation have almost wholly by-passed the survival needs of these groups. These changes are primarily guided by the requirements of the countries of the North and of the elites of the South.

Reflection and Action 13.1

How do you think the increase in consumption affected the process of development?

c) **Expansion of Global Market Fares**

Development as an ideology allows the indirect entry of global market domination. It creates the need for international aid and foreign debt, which provide the capital for such development projects that commercialise or privatise resources. Local resources thus increasingly move out of control of local communities and even national governments into the hands of international financial institutions. Forestry projects, dam projects and fisheries projects tie the resources of the remotest village to international investment and aid. Multilateral development agencies such as World Bank give loan for environmentally sensitive areas like agriculture, forestry and irrigation and through these loans give primacy to the market economy, and render nature's economy and the survival economy as indispensable. The condition for the loan determine the mode of utilisation of natural resources, the rates of return on investments in irrigation projects create an imperative for cash crop cultivation and wastage of water, even though it leaves the land water logged or an arid desert. Through internationally financed development projects, conflicts over natural resources pit tribal and peasant communities against international institutions with the state acting as an agent of dispossession of local communities, to clear the way for global plans and ideologies of development. Integration with the global market economy thus marginalises the concern for nature's economy and the survival economy.

The massive involvement of international finance in the economic development of Third World countries changes the natural resource management strategies in drastic ways. Rapid growth of export-oriented resource utilisation has led countries to the debt trap, with its concomitant ecological degradation.

Box 13.1: Chernobyl Catastrophe

On April 26, 1986, in the Kiev region, Ukrain, 12 kms from the Belarusian Border, a Catastrophe occurred — the major breakdown of a power unit at the Chernobyl nuclear power station. By its scale, complexity to long-term consequence, it is the most severe catastrophe in the entire world history of atomic energy use. As a result of the explosion of the failed reactor, huge amounts of radioactive substance were emitted to the atmosphere. The accident has left its radio-active fallout trace on 23% of the territory of Belarus, 3778 settlements with more than 2 million people had resided therein; or 4.8% of the territory of Ukraine; 0.5% territory of Russia.

After the Chernobyl accident Belarus became a zone of ecological disaster. The situation got worse since the newly emerged area of radioactive contamination coincided with the formerly existing area of high chemical pollution. The area of agricultural lands contaminated with radioactive cesium-137 with a very high density constitutes 1600 thousand hectares. 1685 thousand hectares of forest in Belarus are contaminated with radioactive elements. The catastrophe has affected the destinies of millions Belarusians. The radioactivity contamination of the ecosystem will stifle normal agricultural production and forestry for many decades.

Source: www.belarusguide.com

13.3 Environmental Concerns and Contemporary Social Theory

The more recent concern of the causes and consequences of the present ecological crises are significant to modern social theory. The relation between human beings and nature and the deleterious effect of human action upon the latter, a hitherto neglected area, has emerged as a major issue. Another important issue in contemporary theory is the growth of environmental politics/ movements which pose a challenge to the modern industrial/ capitalist mode of production and consumption which are essentially environmentally destructive.

Anthony Giddens, in his later works, attributes environmental problems to the modern industrial societies and the industrial sectors in the developing countries. Whatever the origin of the crisis, the modern industry, shaped by the combination of science and technology is responsible for the greatest transformation of the world of nature than ever before (Giddens 1990: 60).

Ulrich Beck distinguishes the modern society from the earlier ones as the risk society, characterised by its catastrophic potential resulting from environmental deterioration. In the pre-industrial societies, risks resulting from natural hazards occurred and by their very character could not be attributed to voluntary decision-making. The nature of risk changed in the industrial societies. Industrial risks and accidents at work sites, or dangers of unemployment resulting from the changes in the economic cycles, could no longer be attributed to nature. These societies also developed institutions and methods to cope with the dangers and risks, in the form of insurance, compensation, safety, etc. The risk societies are characterised by increasing environmental degradation and environmental hazards. “At the center lie the risks and consequences of modernisation which are revealed as irresistible threats to the life of plants animals and human beings. Unlike the factory related or occupational hazards of the 19th and first half of the 20th century, these can no longer be limited to certain localities or groups, but rather exhibit a tendency to globalisation” (Beck 1992: 13).

In the face of environmental risks and hazards of a qualitatively different kind, both real and potential, earlier modes of coping with them also break down. Yet when large-scale disasters like “Chernobyl” occur (see Box 13.1), protests do break out which challenge the legitimacy of the state and other institutions that appear powerless to manage the problems.

Giddens offers two explanations for the emergence of environmental politics—as a response to the ecological threats and thus “a politics mobilized by ideal values and moral imperatives”. Ecological movements, he observes compel us to confront those dimensions of modernity, which have been hitherto neglected. Furthermore, they sensitise us of subtleties in the relation between nature and human beings that would otherwise remain unexplored (Giddens 1987: 49).

Habermas sees the ecology movements as a response of the life-world to its colonisation. Since they are an expression of the reification of the communicative order of the life-world, further economic development or technical improvements in the administrative apparatus of government cannot alleviate these tensions. For Habermas, capitalism is the primary cause of environmental degradation.

All these social theorists emphasise the need for democratization of state power and civil society. Giddens (1990: 170) suggests that not just the impact, but the very logic of unchecked scientific and technological development would have to be confronted if further harm is to be avoided. He argues that since the most consequential ecological issues are global, forms of intervention would necessarily have a global basis. New forms of local, national and international democracy may emerge and form an essential component of any politics that seeks to transcend the threats of modernity. Habermas, while recognising the limitations of modern state power, argues for the creation and defence of a public sphere where rational democratic discourse can occur. Beck argues for an ecological democracy as the central political response to the dangers of the risk society. Research agendas, development plans and introduction of new technologies must be made open for discussion and at the same time legal and institutional controls on them must be made more effective. All the above scholars point to the limitations of the pre-dominantly representative rather than participatory character of liberal democracy being an essential pre-condition for creating environmental sustainability.

A sociological/social science perspective in the analysis of environmental issues is still emerging. Responding to the demands of social reality, sociologists are just beginning to explore the many dimensions of the environmental problems of our times.

The ecological/environmental perspective opens up the unexplored dimension of some of the important areas of sociological concern.

As powerful critique of the modernisation/development agenda, this perspective brings out the unsustainability of the project. The industrial capitalist mode of production and consumption destroys the very resource base necessary for its existence, but even more, threatens human life itself.

With the growth of ecological politics and movements, a new area of sociological enquiry has opened up, which transcends the conventional dichotomy of the right and left politics, that cuts across class divisions and even national boundaries and creates spaces for activism within the civil society using the popular initiative. In a fundamental sense, it calls for a redefinition of the relation between human beings and their natural environment and a reconsideration of the effect of human action upon nature.

13.4 Consequences of Development on Ecology and Environment

The tremendous impact of human ecology is well manifested in the life-support systems including air, water, land and energy. As the human population grows, there appear imbalance of food production and crisis of space leading to environmental pollution which unfavorably alter our surroundings. Survival in such circumstances calls for an expansion or movement to a different place and destruction of the natural forest for human existence and comfort. These human activities in due course lead to all sorts of unfavourable alteration of our environment (pollution), which is now a worldwide concern. These human activities are discussed here.

a) Water Pollution

The major sources of water pollution are:

- i) **Industrial effluents** (wastes) or toxic by-products.
- ii) **Sewage wastes:** This contains decomposable organic matter and pathogenic agents directly discharged into rivers, streams, lakes, etc.
- iii) **Agricultural pollutants:** there are excessive agricultural nutrients such as fertilizers, disease controlling chemicals (pesticides, herbicides, insecticides and fungicides).

These pollutants damage not only human beings but plants and animals alike. However compared to the other two, industrial effluents cause much greater pollution.

b) Air Pollution and Noise

The sources are:

- i) **Industrial manufacturing processes:** steel, chemical plants, oil refineries, fertilizer factories, etc.
- ii) **Combustion:** Industrial and domestic combustion of coal, oil, forest fires, etc; through smoke, dust, carbon dioxide, sulphur dioxide, etc.
- iii) **Automobiles:** These emit carbon monoxide, nitrogen oxide, suspended particulate matter.
- iv) **Miscellaneous:** Agricultural activities such as crop spraying for pest control, nuclear energy programmes, etc.
- v) **Radiation pollution:** For example the one happened in Chernobyl or Gas tragedy in Bhopal

Here too, the omission of gases from industries, manufacturing and in radiation cause the greatest pollution.

c) Soil Pollution

- i) Solid fallout from explosion of nuclear devices.
- ii) Agricultural activities — over application of inorganic manure and different chemical-based pesticides.

d) Destruction of Forest

Large-scale deforestation leads to flood, soil erosion, silting of rivers, contraction of agricultural areas and desertification. We see more deforestation through forest contractors than from local villagers who use the wood as fuel.

All these types of pollution affect human health directly or indirectly through environment, other flora and fauna, recreational amenities and productivity.

Reflection and Action 13.2

Half of the world's population already lives in cities and the pace of urbanisation continues to accelerate. Most of the world's mega-cities with over 8 million inhabitants are in the developing world. How do we make urbanisation more sustainable? Can we avoid problems such as air and water pollution, loss of farmlands and isolation from nature? What are the major ecological challenges human society are facing today?

13.5 Ecology Movements and Survival

The contemporary period is characterised by the emergence of ecology movements in all parts of the world which are attempting to redesign the pattern and extent of natural resource utilisation to ensure social equality and ecological sustainability. Ecology movements emerging from conflicts over natural resources and the people's right to survival are spreading in regions like the Indian sub-continent where most natural resources are already being utilised to fulfill the basic survival needs of a large majority of people. The introduction of resource and energy-intensive production technologies under such conditions lead to economic growth for a small minority while at the same time undermines the material basis for the survival of the large majority. In this way, ecology movements have questioned the validity of the dominant concepts and indicators of development.

Third World ecology movements, which resist the destruction caused by State managed market development, are challenging the concepts of politics and economies as defined within the narrow confines of the market. They reveal that there is a notion of democracy, which is wider and deeper than the market democracy. This is the ecological concept of democracy of all life based on the recognition of the right to life of non-human nature and all segments of human society, including those large numbers which do not and cannot produce and consume within the market, and who are treated as dispensable in the logic of the market. The Third World ecology movements highlight the way in which issues of ecology and equity, sustainability and justice are intimately linked to one another.

The intensity and range of ecology movements in independent India have continuously widened as predatory exploitation of natural resources to feed the process of development had increased in extent and intensity. This process has been characterised by the massive expansion of energy and resource-intensive industrial activity and major development projects like large dams, forest exploitation, mining and energy intensive agriculture.

Among the various ecology movements in India, the "*Chipko* Movement" (embrace the trees to oppose fellings) is the most well known. It began as a movement of the hill people in the State of U.P. to save the forest resources from exploitation by contractors from outside. It later evolved into an ecological movement that was aimed at the maintenance of the ecological stability of the major upland watersheds in India. A spontaneous people's response to save vital forest resources was seen in Jharkhand area, the one in Bihar-Orissa border region as well as in *Bastar* areas of Madhya Pradesh where there were attempts to convert the mixed natural forests into plantations of commercial tree species, to the complete detriment of the tribal people. Inspired by the *Chipko* Movement, the "*Appiko* movement" in the Himalayas is actively involved in stopping illegal over-felling of forests and in replanting forest lands with multipurpose broad leaved tree species. In the Aravalli Hills of Rajasthan there has been a massive programme of tree planting to give employment to those hands which were hitherto engaged in felling of trees.

The exploitation of mineral resources, in particular, the open-cast mining in the sensitive watersheds of the Himalayas, the Western Ghats and Central India have also resulted in a great deal of environmental damage. As a consequence, environmental movements have come up in these regions to oppose the reckless mining operations. Most successful among them is the movement against limestone quarrying in the Doon Valley.

Large river valley projects, which are coming up in India at a very rapid pace, is another group of development projects against which people have organised ecology movements.

The large scale submersion of forest and agricultural lands, a prerequisite for the large river valley projects, always takes a heavy toll of dense forest and the best food growing lands. These have usually been the material basis for survival of a large number of people in India, especially tribal people. The ecological movement against the Tehri high dam in the UP Himalaya exposes the possible threat to people living both above and below the dam site through large-scale destabilisation of land by seepage and strong seismic movements that could be induced by impoundment.

13.6 Development Projects as Ecological Concerns

In this section we shall present a few projects that have been widely discussed in recent years as threat to ecology and environment in India.

a) Tehri Hydroelectric Project

The controversial Tehri dam is a classic example of the wanton destruction of the Himalayan geosystem and ecology wrought by the demands of development. The idea of setting up a high dam in the lesser Himalayas to harness its power and water potential was conceived way back in 1949 and a site chosen on river Bhagirathi, 1.5 km downstream from the 1000 year old holy town of Tehri, 1550 m above sea level. Serious doubts were raised about the viability and location of Tehri dam.

Tehri dam is located in the central Himalayan Seismic Gap where the Indian plate is crashing into the Asian mainland at a speed of 2 cm per year. The geological disturbances being created by the construction of the dam may hasten and intensify the earthquake. The rocks lining the walls of Bhagirathi gorge are prone to seepage and the accumulating water may exert immense pressure on the hill slopes. This along with the constantly eroding shale of the river bed will weaken the dam's foundation which is said to be lying on a fault.

Further, the Tehri dam will obstruct the natural flow of the massive volumes of sediments raising the river beds upstream and endangering the populous settlements. It will inundate several villages and displace its inhabitants who have been living there for generations.

More precious land in this already dented land had to be cleared for those ousted, compelling them to surrender their fertile fields in return for barren patches. The rehabilitation scheme ignored the village as the unit for relocation and settled them as individual families thus taking away their collective bargaining power and destroying community culture.

People in the Garhwal Himalaya have been against the project and their opposition coalesced into a movement. A fresh review of the project and closer scrutiny of the dam construction is being done.

b) Narmada River Valley Project

The Narmada river valley project, the largest in the country, envisages construction of 30 major dams — 10 on Narmada and 20 on its tributaries — as

well as 135 medium and 3000 minor dams. Of these the two mega-dams are the Sardar Sarovar and Narmada Sagar. Some 21 million people dwell in this enormous basin covering 98,796 km sq. Around 80% of the population, with a sizeable number of tribals, live in villages and are dependent on agriculture and forests.

The Narmada Sagar and Sardar Sarovar dams were to be built in tandem, but the former estimated to submerge 90,000, was and thus never got underway being enmeshed in controversy from its inception. Construction of the latter, however, was taken up with zeal at the instance of the Gujarat government.

People affected adversely from the project are numerous and ever increasing. Hundreds of villages need to be evicted for the project resulting in the villagers and tribals being displaced and dispossessed.

Their traditional sources of livelihood are lost and rehabilitation does not necessarily recreate the same. The farmers of Nimar thrive on horticulture and when moved out of fertile plains, where will they grow their flowers?

It has been contended widely that there will be serious ecological consequences as a result of the building of these dams. Massive water logging and increased salinity of the soil would compound the problem.

Activists such as Medha Patkar and several other have drawn attention to these negative impacts on the environment. Protests in the form of strikes and indefinite fasts have emerged. Construction of the Sardar Sarovar dam has been stalled due to several anomalies which have been found in the project report of the government.

c) **Bhopal Gas Leak**

The Bhopal gas disaster, unparalleled in Indian history, reveals the mindless exploitation of developing countries by the multinationals for profit.

Union Carbide Plant set up for pesticide formulations expanded despite posing environmental hazard. The Plants' safety system was not up to the mark which caused the lethal leak and deadly chemicals were released in the atmosphere. The mushroom cloud which dissipated over an area of 40 km sq in Bhopal city, shed its toxins over the people, the poor being affected largely. Hundreds died while others suffer from chronic diseases, a result of the toxics, even today.

The Bhopal genocide is only a link in the chain of lethal pesticides and chemicals being developed by big industries and multinationals in their search for profit. It is the Third World countries where they dump hazardous products and experiment with deadly chemicals. Cities and towns especially the congested localities inhabited by the poor are the potential powder kegs, ready to ignite at the drop of a match. International dealers in pesticides, agrochemicals and petrochemicals, batteries, synthetic flares are swarming in, which without safety precautions and mindless exploitation poses a threat to the environment.

d) **Chilika Shrimp Farm**

Chilika, situated in Orissa, is the largest brackish water lake in India. It is a protected bird sanctuary, provides sustenance to thousands of farmers and fisher folk and has innumerable species of fish and marine life. Aquatic plants thrive in this unique ecosystem, making it an ideal spawning ground for shrimps.

Its natural propensity to breed prawns makes its blue waters irresistible to big business houses. Integrated Shrimp Farming Project (ISFP) in the backwaters of Chilika has been conceived by some corporate giants. When the project gets underway, a part of Chilika will be enclosed by a 13 km embankment to form an artificial lake. It will then be parceled into small ponds which will be filled up with seawater or freshwater as and when required.

Approaches to Sustainable Development

To breed 250-300g shrimps in 30-40 days as proposed in the project, protein-rich feed, chemical fertilizers and pesticides will be pumped into the waters. The poisonous effluents will be dumped into the creek joining Chilika with the sea.

The natural ebb and flow of Chilka is set to lose its rhythm with the ISFP embankment which will dislocate the fish route. Chemicals and pesticides will destroy the spawning grounds and the pumps will scare away the birds. Cattle will not be able to graze on the new grass on the islands springing up in the arid seasons. There will be water logging, salinity and consequently ecological balance will be disturbed.

Reflection and Action 13.3

Discuss the dilemma of development. What kind of development would be equitable and sustainable?

13.7 Internationalisation of Environmental Concerns

With the increased internationalisation of environmental concerns, Lynton Caldwell (1990) notes that the “doctrines and dogmas of inalienable national sovereignty are being modified de facto to accommodate the imperatives of international environmental cooperation.” In his opinion, “nations need not lose their cultural identity and integrity by cooperating with other nations in matters of common necessity. Indeed, international environmental policy has been directed to protecting and restoring the cultural and ecological distinctiveness of nations (Ibid).” The question is not merely the linkage between international environmental cooperation and national identity and sovereignty. One perceives an increasing tendency of contentions and debates on ecological issues at the global level on significant matters of sustainable development.

The deliberations on sustainable development in various international fora and conferences recently were compelled to deal with questions of the North-South divide and hierarchy. Wide-ranging differences persist due to a variety of issues like causes for global environmental degradation to the mechanisms of arresting ecological crises. While some perceive underdevelopment of Third World countries itself as a major cause of environmental damage, many advocates from these countries argue that the very process of development along the lines of industrial progress has been instrumental in unleashing a global ecological crisis. Third World spokespersons in international environmental negotiations demand that industrialised countries of the North should subsidise efforts of replacing environmentally polluting industries of the South. Responsibilities for global environmental crises like ozone layer depletion, green house effect, etc. are still contentious issues between the North and the South.

A critical international ecological perspective demands not only an urge to create newer and wider international environmental regimes to tackle specific problems but also a commitment to transformatory politics which addresses global unequal power relation.

The challenges to the nation-state system emanating from various quarters provide an ambivalent realm of perspectives from an ecological angle. Environmental activists and theoreticians conventionally argued that since the State is an embodiment of coercive power and an instrument of accumulation of resources, it has to be replaced by local self-governing entities and ecologically sustainable communities. The accelerated onslaught of globalisation forces on local and national lives of people and their environment pose new challenges to the development of a contemporary critical ecological perspective.

In the changing global context, local communities find it extremely difficult to stop the plundering of their natural resource endowments by transnational corporations and agencies. Ecology movements, while realising their own weakness due to their dissipated nature and the changing character of the nation-state are faced with the task of critically rethinking the linkage between micro-politics of movements and macro-politics of the nation-state and international affairs. Reinventing civil society and the state in new democratic ways is being proposed as the inevitable alternative route.

The International perspective on ecology and sustainable development envisages transformatory politics challenging the existing processes of accumulation and hierarchies of power from local to global realms. This politics of transformation envisions sustainability of nature and resources through the development of struggles to challenge forces, which exploit humans and nature. Such a perspective looks for meaningful and organic democratic local-global linkages with a bottom-up approach.

13.8 Participatory Approach for the Management of Natural Resources

Different conceptions and debates on environment-development connections by conservationists, developmentalists, women activists, tribals and other marginalized groups reveals that each one has a different position or emphasis on issues such as conservation, subsistence needs of the poor, particularly women; economic growth models and sustainability of critical resources, threats to eco-systems and issues of equity and distribution of costs and benefits in the management of natural resources. The focus on the environment-development connection has reframed the issues of control and management of natural resources as it reflects the demands of the global economy which are pitted against the peoples' claim to traditional rights and their livelihood. As political and economic battles intensify, livelihood interests and commercial interests are locked in never ending contradictions and may not be easily reconciled.

Over the years, various approaches for natural resource management have been outlined — both formal and informal arrangements — to support participatory processes on the grounds of efficiency, involving local people and building a partnership between the state and the community through appropriate institutional arrangements. Within the agenda of decentralised management of natural resources, one can identify several institutional arrangements such as self-initiated user groups, formal community groups established through government initiatives (Joint Forest Management or Watershed Management) and institutions of Local Self-Government (Panchayati Raj institutions). These local institutional arrangements shape the choices, priorities and bargaining systems to change state-community dynamics.

Community management of local resources or a decentralised strategy has assumed importance as it is expected to protect livelihoods and lead to a more sustainable management of resources. Another argument often made in defence of community management of natural resources relates to the indigenous/women's knowledge systems, which are embedded in a particular community or context. Shiva argues "Third World women tribal and peasants act as intellectual gene pools of ecological categories of thought and action" (Shiva 1988).

Women's responses to environmental issues are mediated by their livelihood systems, division of labour and unequal access to productive resources, and knowledge and information. Local NGO's have tried to build alternatives for the management of the local resource base and link issues of gender equity to issues of social justice, poverty and indigenous people's rights. The

arguments for social justice and local people’s rights are based on the premise that local communities have a greater stake in the sustainable use of resources and are better positioned to respond and adapt to specific social and ecological conditions and incorporate local interest and preference. They are also conversant with the local ecological practices and processes and can manage the resources through traditional forms of access and management.

During the last two decades, natural resource management and bio-diversity conservation have emerged as major priorities within countries and among donor agencies. People-oriented rhetoric and community-based natural resource management have become part of a strategy for bringing nations into line with global resource management initiatives (Neumann 2005).

Reflection and Action 13.4

Drastic changes in lifestyles and attitudes are essential for a sustainable tomorrow. Discuss.

13.9 Conclusion

The boundaries of environmental concerns are fast disappearing. Local-global linkages in ecological perspectives and movements are becoming more pronounced. While different sections of people and communities all over are raising issues of environment and survival through movements, nation-states are engaged in international deliberations and conferences for developing international protocols and creating international environmental regimes. A meaningful attempt at grasping ecological politics of our times has to understand and respond to the emerging conflictual and consensual dynamics within and between the local-global parameters. “Sustainable development” is a conceptual and policy arena where contestations on a variety of local-global factors occur. There is a need to decipher proper ecological perspectives in more concrete terms.

This unit delineates the inter-relationship between ecology, environment and development. It analyses how the question of ecology and environment are addressed in social theory. We understood most responses to the ‘environmental crisis’ will remain at best superficial and palliative unless there is a universal recognition that our species is an integral part of nature, that we must recognize the latter’s limits. This understanding (as well as a lack of it) has profound implications for the kind of future society and polity that needs to be established. It also has profound implications for arenas as diverse as the content and direction of ideology, development, technological choices, and consumer freedom. The unit also makes an attempt to look into the mammoth proportions of the environmental crisis caused by the development practices presently adopted. And we understood the urgency of the need to find solutions to this crisis pose tremendous challenges to develop coherent, rational and ecological perspectives. Finally, an alternative paradigm for the management of resources also have been explored in this unit.

13.10 Further Reading

Munshi, I. 2000 “Environment in Sociological Theory”, *Sociological Bulletin*, vol.49, no. 2, 258-62

Shiva, V. 1991. *Ecology and the Politics of Survival*. UN University Press and Sage Publications: New Delhi

UNDP, 2003. *Human Development Report*. Oxford University Press: New Delhi

Ethno-development

Contents

- 14.1 Introduction
- 14.2 New Concern in Development Theories
- 14.3 Emergence of Alternative Approaches
- 14.4 Methodology of Ethno-development
- 14.5 Conclusion
- 14.6 Further Reading

Learning Objectives

The central objectives of this unit is to explain:

- reorientation of developmental perspective;
- cultural consideration in development;
- endogenous development approach; and
- strategies of ethno-development.

14.1 Introduction

This unit deals with the approach of ethno-development as one of the approaches to sustainable development. Before going into details of the ethno-development it is necessary to discuss the growth of the approaches of development over the times. This will help us to understand how and why there has been growing demand over the times to develop appropriate development theories covering all sections of human societies. From time to time various scholars have pointed out the importance of understanding diversities of culture and specific needs of the communities for their own development. This growing concern about the social and cultural dimensions of development has brought changes in the developmental thinking, and as a result, approaches of sustainable development and ethno-development have emerged as the critics of the earlier developmental theories. In view of these issues, this unit will explain the various perspectives on development, cultural considerations in development and strategies of ethno-development.

14.2 New Concerns in Development Theories

The study of the development theories reveals that the meanings and concepts related to the theories vary over times. In the beginning, the core meaning of development was to achieve the status of advanced industrial countries of West mainly referred to remedies of shortcomings and maladies of progress. The development thinkers of the twentieth century have rejected the development thinking of the previous century due to the latter's failure to explain the development patterns of then society. Their reactions to the nineteenth century's failure are related to the process of industrialisation of non-western countries where this transformation uprooted a large section of people and made them workless. It was also alleged that this development approach has even dislocated social relations among the members of these societies.

a) From economic growth to human development

The growth of colonial economics of development has generated dependencies of colonial countries on their rulers. The colonial rulers are mainly the European countries. It has been experienced that such dependencies has not created

any environment of proper industrialisation in the colonial countries, although some development has been taken place in the interest of colonial rulers. In the name of the development the European or colonial countries have destroyed native manufactures as found in case of textile manufacturing in India and sabotage efforts at industrialisation in Egypt, Turkey and Persia (Stavrianos 1981, Pieterse 2001).

Gradually the economic growth theory emerged as development thinking. Mechanisation and industrialisation have become parts of concept of economic growth. To widen the scope of development, the dimension of political modernisation has been incorporated. Further, the new way to develop the thinking has included the wider dimensions. In the mid 1980s Amartya Sen's contribution to the concept of human development has been important to bring a different direction in the development approaches.

Structural reform of society is the basis of neoliberalism of development thinking. This structural reform of the society came about through liberalisation and privatisation of the economy. All classical and modern development theories are fundamentally structuralist. In the latter phase of progress of development theories this structuralist emphasis has started to change with the influence of phenomenology (see box 14.1). The theoretical orientation has been brought a shift in development approach to structuralist to institutional ones. It can also be interpreted as change from deterministic to interpretative views and from materialist to multidimensional and holistic views. Such a change can also be interpreted as shift from structuralism to constructivism. The source of constructivism is found into phenomenology and ethnomethodology (Peterse 2001).

Box 14.1: Phenomenology and Ethnomethodology

Literally, phenomenology is the study of phenomena; appearances of thing or things as they appear in our experience or the ways we experience things. Phenomenology studies various experience as experienced from the subjective or the first person point of view. Phenomenology is a 20th century philosophical way of thinking about the nature of reality, which has influenced sociology. The German philosopher Edward Hussral (1859-1938) is closely linked with phenomenology. Phenomenology argues that the only "phenomena" that we can be sure of is that we are conscious thinking beings therefore we should study any phenomena around us in terms of the way we consciously experience them. This examination should be free of pre-conceptions of causal ideas. These ideas influenced sociologists such as Alfred Schutz (1899-1959) who thought that sociology should look at the way individual construct the social world (Schutz 1967). Phenomenology is used in two basic ways in sociology: (1) to theorize about substantive sociological problems, (2) to enhance the adequacy of sociological research methods. There are two expressions of this approach, which are constructivism and ethnomethodology. Ethnomethodology integrates the Parsonian concern for social order into phenomenology and examines the means by which action make ordinary life possible. (Garfinkel 1967).

Ethnomethodology as a sociological perspective was founded by American sociologist Harold Garfinkel in early 1960s. The main ideas behind it are set out in his book *Studies in Ethnomethodology* (1967). It differs from other sociological perspectives in the way that which all the perspectives pre-suppose that social world is orderly, ethnomethodologists start out with the assumption that social order is illusory. For them social order is constructed in the minds of social actors as society confront the individual as a series of sense impressions and experiences which she or he must somehow organise into a coherent pattern.

However, along with the changes in the broader perspectives in the development studies there can be seen another trend of changes in the approaches. The development approach gradually started to be more specialised and specific.

It has become more local and regional in orientation. The early and the modern thinkers of development has been fundamentally associated with theoretical orientation of structuralism but the later development thinking has rejected this view. This approach exhibits more diversities in theoretical orientation. The earlier groups are concerned with generalized theoretical orientation having world - wide application for development. But the present development thinking does not believe in general application of generalised theories. Now the development approaches are not relevant across the wider regions. This development approaches are related not only to growth but to what kind of growth, not simply to development but what kind of development. This has helped in emergence of approaches in diverse new directions which have come to be known as sustainable development, people-friendly growth, pro-poor growth, etc. Now the development approach is related to groups, actor - oriented approach (Long 1994), and participatory approach (Oommen 1998).

b) Sustainable development

Sustainable development needs development approach from within the community. Earlier it was felt that technological and capital transfer from other countries would bring development. This has been gradually found ineffective in continuity of development process of society. Groups of scholars believe that to make the development sustainable there should be participatory and community based programme. The development approach should be identified by the local people themselves on the basis of their own needs. The designing and the implementation of the project principles and techniques suited to the local people are developed with the help of local people from whom the development planning is being designed. Since it is the development for the people the development process essentially depends on people's participation. Development cannot be successfully imposed on a society from outside. The sustainable development put stress on the participatory aspects of the local people on decision making process that affects their lives. The people for whom development programme has been adopted must take part in planning and the execution of every aspects of the programme. It believes that the development programme which does not involve the local people often fails. Therefore community participation or people's participation is essential.

c) Culture consideration in development

During the colonial period colonised societies have tended to modernise themselves for their own development. They have tried to adopt the attributes of modern societies, i.e., their colonial rulers. Therefore, modernisation and development mean westernisation of colonised societies and culture. The process has established strong trend in social transformation. But this approach and belief have started to decline along with development of colony-free national culture. Culture has gradually become a part of development studies. Along with the World Commission on Culture and Development in 1996 there has been increase of importance of the cultural dimensions and development. Now culture is not considered as an obstacle to the development process, rather as influential factor for development of a society.

In due course of time the development studies have been oriented more to cultural dimensions on the basis of cultural diversities. Earlier in most of the development studies Nation has been considered as the unit of development. But gradually this "Nation" has undergone considerable changes. Now the nation is not always considered as unit of development; it is the community or small section of a nation considered as the unit of development. The community development, local economic development and micro-regional development are gaining importance in the development studies. Local development in the various forms, like urban development, rural development, regional development, regional inequality, regionalism, ethnic development (ethno-development) are the common orientations of the development studies.

However, there has been a trend of development beyond the nation, at the macro-regional level with inter-national cooperation and global macro-economic policies. The regional has become a familiar unit of development. There is yet another developmental approach at the world level with global macro-policies of the international institutions and UN system.

Consideration of culture in development is now new. Culture is found to be implied in many earlier approaches. The culture and development studies originated from Anthropology, particularly, Development Anthropology. Therefore, the anthropological methodology has influenced and modified the development studies in course of its changes. The anthropological participant observation method has gradually emerged as participatory and action oriented development studies. Participatory action research, rapid rural appraisal and goal-oriented project planning have been commonly used in the development studies.

Now development planning is generally “based on culture” because it is not possible to operate development outside culture. In development, culture is interpreted in relation to economic development. Political and social development get less importance. The Dutch Development Corporation policy asserts culture as the basis of sustainable development. The argument of culture for sustainable development has been developed by Stavenhagen (1986) and following him by Hettne (1995). According to their view and development should consider the “ethnos” (people) for whom development is intended. This is what is known as ethno-development approach. It is the approach that is concerned with the development of indigenous culture. The Dutch Development Policy recognised communities as bearers of culture, not the nations as a whole. It maintains cultural diversities and cultural differences among communities of a nation.

Reflection and Action 14.1

Why should cultural considerations be made part of planning? Discuss with suitable illustrations.

14.3 Emergence of Alternative Approaches

In the course of development of developmental theories the mainstream development theories, such as growth oriented theories and others, have been severely criticised. Gradually, alternative development theories have emerged to avoid the weakness of the earlier theories. The alternative approaches and their methodologies have emerged as development paradigm indicating a theoretical break from the mainstream development approaches. Some of the alternative theories are concerned with local development.

Dependency theory, one of alternative to the mainstream development theories, is concerned with structural macro-economic changes in the non-western societies in the line of western societies. There is another alternative development approach that emphasizes the capacity of people to bring about change with development. This development approach depends on different means: participatory action and people centred development. It does not depend on the other societies or countries for its own development.

a) Alternative Development

Since 1970 onwards alternative development approaches have emerged as people centred development. This development is geared to the satisfaction of needs of the people for whom development is directed. The alternative development is also known as endogenous development. This approach has its own distinct methods associated with it. Usually participatory method is also used for such approach. The participatory method initiates development process within the community and take into consideration the basic needs of the people for their

development. The alternative developments are different from the earlier development approaches in respect of their methodology; a participatory, endogenous, self-sufficient and objectives oriented. Therefore, development here must be undertaken from within the people and geared to their basic needs. Hettne (1995) believes that these are mainstream approaches. He puts least emphasis on the idea of demodernisation and anti-development theories.

In course of the development of developmental theories, the alternative development approaches have been institutionalised as part of mainstream development. The alternative development is accepted as progressive, but not radical; it does not embrace any clear ideology and this could be absorbed by the mainstream development ideology (Pieterse 2001).

Hettne (1995) presents “another development” which is combination of the basic needs, self-reliance, sustainable and endogenous development. But this could not be developed as a paradigm or alternative model. Today there is not much differences between the approaches of alternative development and mainstream development. The components of alternative development approach like, participation and sustainability have been adopted by the mainstream development. There is no difference in principles. Gradually, this approach has become popular as Mainstream Alternative Development (MAD).

b) **Endogenous Development Approach**

The idea of endogenous development has emerged from the approach of the alternative development. It is more specific to one's own culture in respect of its own development. The term, as it suggests, indicates the development from within the culture. It takes impetus from its own foundation of culture and gears the process of development. The notion of the “endogenous” takes into consideration social, cultural and symbolic aspects of a society. When we call endogenous development, we think it is opposite to the idea of mainstream development, which emphasises development through the process of change, that means, through the process of modernisation i.e. development of a society following the cultural characteristics of western societies. It is the process which can be called as westernisation. But endogenous development means shaking off all the traditional and existing customs, values, and beliefs of the society which intends to develop its self-confidence. When goals and values are generated from within the culture, it also generates self-confidence. Here it is believed that modernity is generated from within own culture. Therefore, modernisation is not a thing to be borrowed from the west. There is no need to believe in modernisation of tradition. Any society can develop of its own; it can develop itself without the help of the others' path of development. Rahman (1993) mentions “Development is endogenous — there are no front runners to be followed”. If a society tries to modernise itself by following models of any western country, it will lead to the destruction of its own culture by inviting western cultural elements in its own culture which may not be adjustable to the existing situation. There will be destruction of its own social values, moral and beliefs. Tradition always resists any change towards modernisation in the form of western model. Therefore, there may be conflict between tradition and modernity leading to unstable traditional cultural situation in a society (So 1990). But modernisation from within means innovation of new elements from within the society and adaptation to these new elements. Tradition is also considered as sources of innovation, change, development and modernisation.

It is seen that the endogenous idea of development is the foundation of the alternative development approach. But there are some problems to discern what is endogenous and what is exogenous element in a culture. There may not always any distinct boundary between endogenous and exogenous elements in a culture and development thinking. There is also a problem with regard to

the unit of development in the endogenous concept. In the conventional idea “society” is used as a unit of development or a “state” or a “nation”.

In criticising the approaches of the mainstream development the ethno-development approach has highlighted that the development statistics usually show country statistics, or at the national level. Besides country statistics other development statistics are available at the regional level concerning Latin America, Africa, Asia, the Caribbean, etc. In development studies the regions have become a familiar unit of development similar to the nation. The other scale of development action is the world – local, national and macro-regional under UN system. These broader units of development may not have any systematic in-depth approach at the micro-level such as the community or ethnic group of a nation or of a region, etc. The need-based approach of the ethnic group of community requires micro-and in-depth analysis of the community own ideas or perception of development. In other words this is what is called understanding of indigenous knowledge. The idea of indigenous knowledge has emerged to recognize the local knowledge (Chamber 1983, Brokensha et al and Hobart 1993). Agrawal (1995) has pointed out that ignoring people’s knowledge about their own development is almost to ensure failure in developmental efforts. There has been a clear shift of the orientation of developmental approach which has been largely influenced by ethnomethodology in opposition to the enlightenment or positivistic approach in the areas of development. Norman Long (1992) has advocated “actor-oriented” approach in criticising structuralist approaches in development and prefers to adopt anthropological approach.

Reflection and Action 14.2

Discuss the various alternative approaches to development and describe reasons behind the emergence of ethno-development as distinct approach to development.

14.4 Methodology of Ethno-development

The concept and methodological approaches of ethno-development incorporate conventional anthropological method such as participant observation. From this concept there emerges the methodology of the alternative development which is based on participation by the people. This is what has come to be known as participatory method. The idea is that development must be participatory and must involve local persons in decision making processes that affect their lives with development. The people or community, for whom development programmes are adopted must take part in formulation of development programmes. Those which do not involve the community or local people often fail. Participatory Action Research, Rapid Rural Appraisal, critical pedagogy and empowerment are the various elements of alternative development programme. What is special to these methods? These methods are applied to the local community context.

It is argued that since development should come from within the society not from outside, it must be participatory and community based. The initiative for development must be identified by the local people, who will involve themselves in designing and implementation of the development projects using principles and techniques suited to the local conditions.

Cohen and Uphoff (1980) have interpreted participation as “generally denoting the involvement of a significant number of persons in situations or actions which enhance their well-being, e.g., their income, security or self-esteem.” Paul (1987) has defined participation, in the context of development, as “community participation that refers to an active process whereby beneficiaries influence the duration and execution of development projects rather than merely receiving a share of project benefits”. Santhanam (1993) defines

participation as “commitment on the part of the individual towards all forms of action by which the individual can ‘take part’ or ‘play part’ in the operation without being conscious of any socio-economic barriers to achieve certain common goals in a group situation”. This commitment is possible only when he is appraised with the situation so as to enable him/her to form an attitude based on his/her own perceptions. Lele (1975) from the study in Africa has explained that the local participation may mean involvement of people in planning and assessment of local needs. They may also be informed of the plans designed for their society if they are expected to give consent and to cooperate with the programme implementation. Participation thus can bring self-reliance to accelerate self-development.

Reflection and Action 14.3

There may be several problems in your own community related to water, electricity, repairing of road, or even livelihood security. Based on your own experience as a community member explain how the cultural resources of your community could be integrated for the solution to any of these problems.

14.5 Conclusion

This unit began with a small discussion on the various theories of development. The issues of sustainable development and cultural considerations in development are important dimensions of development discourse in contemporary world. Development is no longer defined solely in terms of economic growth. The cultural dimensions of society have emerged to play significant roles in contemporary development orientation. In this context the emergence of various alternative approaches to development i.e., endogenous development and ethno-development approaches are elaborated.

14.6 Further Reading

Agrwal, A. 1995. “Indigenous and Scientific Knowledge: Some Critical Comments”, *Indigenous Knowledge and Development Monitor* 3,3

Oommen, T.K. 1998. “Changing Paradigm of Development: the Evolving Participatory Society”, *Journal of Social and Economic Development*. 1:35-45

Paul, S. 1987. “Community Participation in Development Projects: The World Bank Experience”. in *The World Bank Readings in Community Participation*. The World Bank Washington, D.C.

Pieterse, J.N. 2001. *Development Theory*. Vistaar Publications: New Delhi

Unit 15

Population and Development

Contents

- 15.1 Introduction
- 15.2 Historical Background
- 15.3 The Politics of Population Control: Environment and Gender
- 15.4 India: The Population Experience and Developmental Concerns
- 15.5 Conclusion
- 15.6 Further Reading

Learning Objectives

This unit will help you to explain:

- Malthusian and Neo Malthusian perspectives on development;
- role of church and State on population control;
- politics of population control; and
- India's population experience and developmental concerns.

15.1 Introduction

This unit seeks to outline the role of population and its relationship with development. Conventionally in India, the study of population is understood to be the concern of demographers and, at the most, of government census officials who bring out the *Census of India Report* once in ten years. Population studies, however, is more than just keeping count of numbers, or of births and deaths. It presents an overview of the socio-economic condition of society and is relevant in determining its course of social and economic development. The Census is a mammoth exercise, a long drawn out process of collecting data on the number of persons in India with an assemble of information on the socio-economic status of the population. With every census, routine concerns have been raised and pronouncements made over the issue of over-population, levels of poverty and unemployment, and social inequities. The significance and importance of population studies to the understanding of society as a whole, that is, the social, economic and political spheres of life, has attracted the interests of experts from various disciplines. Concomitantly, the study of population has been marked by controversies, conflicts of opinion and long-standing debates on the desired course of development for the country.

For long, a major global concern has been the overpopulation of the world. High population rates in the so called developing countries (primarily Asian and African countries), it is argued, adds to the global crises of providing for more persons from the limited and already over-exploited natural resource base on earth. There are various perspectives on the understanding of the global crises and the issue of overpopulation. According to some experts, the hype associated with the role of overpopulation in aggravating the global crises is overstated. The overemphasis on population as the cause for the crises, they argue, shift the focus from other structural reasons for over and wasteful utilisation of natural resources by the advanced countries. In this context, the development debate gains significance and brings to light the politics around the population question.

The present unit attempts to present some of the key issues that are central to the debate on population and development. The first section would present

a historical backdrop to the concern in population, the reasons for its inception, the issues that it raised, the politics that accompanied the same and as to how the subject of population became an institutionalised concern in international circles. The second section would delineate the substantive issues that emerge from what is popularly termed as 'population questions', on how population becomes a point of altercation and negotiation between the advanced and the so called developing world over issues of development and the related environment and gender concerns. The third section would present the Indian experience with population issues and development and the broad policy shifts in understanding the population crises in the country. The conclusion would summarise the key issues raised in the different sections of the unit in relation to the debate on population and development.

15.2 Historical Background

Thomas Malthus' work *Essay on the Principle of Population* (1798) is considered as the pioneering work on population in which he explicated the fundamental theory of population growth. According to the theory, population grows at a much faster rate than what the natural resources can provide for. The number of people doubles every 25 years if unchecked and thus grows at a geometric rate (1,2,4,8, etc.) while food production increases at an arithmetic rate (1,2,3,4,5, etc). And given the limited natural resource base, there will be a shortage of food supply. This gap between the rates of increase of population and food supply creates what he termed as 'positive' conditions such as wars, famines and epidemics that act as checks against overpopulation. He was against the use of birth control methods and abortion to check population. He suggested some 'preventive' checks for overpopulation like prolonged celibacy and late marriage.

Malthus proposed his theory at a time when Europe was experiencing a decline in death rates due to improvements in medicine and an overall industrial growth. Subsequently there was a rapid growth of population in Europe, but the spread of industry and acquisition of colonies accommodated the growing population. Moreover, between the years 1800 and 1930, an estimated 400 million migrated from Europe to North America in search of better opportunities of work. Europe experienced 'depopulation' rather than 'overpopulation'. America was concerned about the rise in population, largely because of the influx of migrants as well as the high rate of fertility among them. America came up with strict immigration policies, which was resented by some European countries, as it closed doors to greater economic opportunities. France was the first country to experience a fall in birth rates around 1800 and her low fertility rate was considered as one of the reasons for her defeat against Prussia in 1870. Government efforts were made to deal with the problem in 1919 when a separate Council was established as a part of the Ministry of Health to suggest remedial action. The government introduced a number of measures to encourage larger families. Family allowances were granted to assist wage earners with large families. In 1923, the law against abortion was amended to make it more effective.

Other European countries too registered low birth rates, which led to pro-natalist measures (measures to keep the locals at home) in countries like Italy and Germany. For example in Italy, strict laws against abortion and birth control measures and emigration were introduced. In Nazi Germany, marriage loans were extended to couples to start families. A feature, which was already in place in Italy and France. The pro-natalist measures related well to the Fascist and Nazi propaganda of the time and took on ethnic and racist hues. Considerations of race and science led to the emergence of eugenics, a political movement and a philosophy that dominated Europe in the early twentieth century, particularly in Germany under Hitler. Eugenics is the selective breeding of the supposedly 'superior' human genes to improve the quality of the human

race. Eugenics became the fundamental justification for the persecution of Jews in Germany and racial discrimination in general.

Demographic considerations dominated many of the fears and consequent policy measures in Europe till the end of World War II. Population concerns became internationalised with the League of Nations (between 1900 and 1914) taking up issues of birth control and immigration for discussion in its various forums. Advocates of Malthus' prophecy from countries such as France, Italy and Holland, debated over the relationship between overpopulation and war. According to them, population pressure was the major reason for international tensions and economic rivalry between countries as well as colonialism. Pro-natalist movements were viewed as expressions of disgruntlement with the lack of access to economic resources leading to racist and ethnic rivalries. The Neo-Malthusians, in their various forums such as the British Malthusian League (1919) and the Sixth International neo-Malthusian and Birth Control Conference (1925) repeatedly pledged to restrict the birth rate so that people are able to live in comfort in their own country without feeling the need to expand their territorial base. The British Malthusian League adopted a resolution to deny membership to any country that did not pledge to restrict its birth rate.

The term neo-Malthusianism was first used in 1877 by Dr. Samuel Van Houten, one of the vice-presidents of the Malthusian League. Neo-Malthusianism was not just a campaign in favour of birth control; it was particular perspective on the effects of population on human conduct and behaviour. The neo-Malthusian movement therefore was different from conventional Malthusian position on two counts: it stressed on birth control methods and also identified the working class with the problem of overpopulation. The overcrowded industrial slums were identified as sites of moral degeneration. This diverted the debate on population from issues of poverty and unequal access to resources, to birth control per se. Infact, the assumption was that access to commons or availability of resources would give the poor little reason to abstain from having more children. Neo-Malthusianism thereby reinforced the ideology of private property, individualism and capitalism (Ross 1998). The neo-Malthusian position found favour with the elite sentiments on the issue of overpopulation. The elite, threatened by the growing numbers of commoners, considered birth control as an important means of checking future conflict over their property.

The French delegates tried to maintain a stance of ambivalence though they were wary of contraception on the grounds that it encouraged the idea of seeking sexual pleasure without taking the responsibility of the consequences of the act. According to them, it devalued the institution and sanctity of marriage and family values. For the Catholic Church, birth control was illicit and immoral and went against the basic tenet of Christianity. Till the 1920s, most medical opinion was also against birth control, as it considered it unhealthy and immoral. The attitude started changing subsequently, as evidenced by the effort made by the British medical professionals in 1921 to appeal to the Anglican Church to reconsider their position on birth control in the light of existing medical knowledge. In America too, after a court ruling in 1929 that upheld the right of doctors to prescribe contraceptives for health reasons, birth control was included in medical curricula. Birth control clinics were set up in different parts of Europe and America and marked the new phase of the birth control movement. Birth control came to be popularised by taking recourse to the less "offensive" and more "social" terms like "family planning" or "planned parenthood", and the emphasis was on spacing of children and women's health.

In its bid to control sexuality and the domestic sphere of a person's life, birth control went against the modern values of individual freedom and the right of an individual to her/his privacy. On the other hand, it also questioned the orthodoxy of the times and presented birth control as an attempt to present

a choice to the individual to have a child or not. However the source of the birth control debate was not whether individual freedom should be protected or not, but on how to control overpopulation, depopulation or under population and its consequent effect on the world. Central to the debate were the issues of migration, availability of labour, conflict over resources, and poverty. The concerns were developmental and political.

The erstwhile Soviet Union was the first country whose government attempted to make birth control advice and services freely available. Lenin, a key supporter of family planning, distinguished neo-Malthusian propaganda from what he termed as 'the freedom of dissemination of medical knowledge and the defence of the elementary democratic rights of citizens of both sexes' (Symonds and Carder 1973: 21). The socialists consistently maintained that the hue and cry over population was a way to divert the focus from the core issues of inequality and class struggle. For the socialists, the real issue was unequal access to resources than rising population. According to them, there was enough for everyone, provided resources are shared equally. The problem lay in the lack of equal distribution, with the bourgeois and the propertied class unwilling to give up the large share of resources under their control.

After World War II, the situation altered with a number of newly independent states joining the United Nations. By then the neo-Malthusian demographic transition theory was well accepted. According to this theory, all countries pass through four stages of demographic evolution. The first phase is the pre-industrial stage, marked by a high birth and death rate and slow population growth. The second stage is characterised by a population explosion, with improvement in technology and social conditions of life. The death rate is low but the birth rate remains high leading to a high population growth rate. The third stage marks the beginning of the decline in the birth rate due to socio-economic changes and the fourth stage stabilises this trend and establishes a low and steady population growth rate. The interesting aspect of the theory is that population growth was supposed to reflect the level of economic development of a society. It established a low population rate as a key indicator of an economically developed country.

The post-colonies or the countries of the 'third world' stood out in terms of the neo-Malthusian analysis. The countries that break oil of the dutches of colonial rule seemed to be undergoing the second stage of demographic transition, that is, they were experiencing high birth rates and low death rates. With better medical facilities and infrequent famine conditions, population had not only stabilised but also increased at a rapid rate. They were considered as backward, far behind the advanced societies in terms of economic development and technological growth, which was reflected in the persistent high rate of population growth rate. These were a matter of concern for the developed world. Years of colonialism had left these countries poor, with a large population to provide for.

Reduction of population became a priority with the UN. The focus was on raising nutrition levels in developing countries and providing better health facilities to women and children. The proposal to set up the Population Commission came up in 1945, which was opposed by former USSR and Yugoslavia on the grounds that another Commission would only confuse matters, given the proliferation of international bodies within the UN. But the main reason for opposing the Commission was because it focussed primarily on "population changes" and the impending doom following the population explosion, rather than on "growth". It ignored the role of global capitalist development in the production of economic backwardness in developing countries. The Commission was nonetheless formally established in 1946. Although it had no decision making power, it worked in collaboration with the other specialised agencies of the UN such as the International Labour Organisation (ILO), Food and Agriculture Organisation (FAO) and the World Health Organisation (WHO).

Reflection and Action 15.1

What are the major differences between Malthusian and Neo-Malthusian views on population growth and control? What has been the role of Church in population control in Europe?

15.3 The Politics of Population Control: Environment and Gender

As discussed in the earlier section, scientific studies to evolve ways and techniques of engineering demographic transition in the developing world had been well established in the United States around the Second World War itself. The UN too had taken upon itself the task of encouraging third world countries to include birth control and family planning within its official responsibilities. The general perception was that the primary reason for underdevelopment and poverty in developing countries is overpopulation, in that whatever is produced is spent on feeding that many persons. This keeps the per capita incomes low and people are unable to come out of situations of poverty. They live in unhygienic conditions, have no access to education, health facilities, and family planning techniques, and have more children with the hope that there would be more persons to labour and earn a living. According to the neo-Malthusians, it is this vicious circle that perpetuates poverty and the only way to cut through this mesh is by controlling population growth.

This position is intolerant to the argument put forward by the third world countries that development is the best contraceptive. The idea being that with socio-economic development and consequent improvement in the standard of living, population rates will slow down. This, however, is unacceptable to the neo-Malthusians on the premise that the world cannot afford to wait that long, given the alarming rate at which the population is growing. The impatience has also grown with an increasing awareness about the global ecological crises. The ecologists have drawn attention to the limited carrying capacity of the earth and the limit to its resources, an idea central to Malthus' thesis. The ecological movement, which gained momentum over the last century, has consistently predicted doom in the near future if the earth continues to be overexploited at the present rate. For the neo-Malthusians, this argument directly addresses the issue of overpopulation, that is, the overexploitation of the earth is a direct consequence of the larger number of people who feed on it.

This argument however has been criticised for being simplistic and factually incorrect. The industrialised nations, which account for less than 25% of the world population, account for 75% of the world's energy use and two-thirds of green house gases that damage the ozone layer. The effects are global and affect everyone. Moreover, the third-world countries have been used as dumping grounds for the toxics and chemicals produced by the multinational companies of the advanced countries in the third world. Thus it seems that the source of the ecological crisis is not 'overpopulation' but 'over consumption'. The crisis lies in the fact that the rate of reproduction of nature is slower than the rate of industrial production.

The neo-Malthusian position on poverty and population also fails to explore the role and extent of structural inequalities of class and status, unequal access to the means of production and a lack of structural reforms in the perpetuation of the conditions of poverty. The mechanisation of the hitherto labour intensive agricultural sector has accentuated class differences and hastened the marginalisation of the lower strata. In India, the Green revolution, a movement to increase food production and to realise the goal of food self-sufficiency in the country, was achieved through technological upgradation of the methods of agriculture and the introduction of high yielding variety of

hybrid seeds. The example is of interest more so because it was introduced to boost economic growth and agricultural production. Despite the immediate gains of the green revolution, it triggered off a series of social, economic and environmental complications. In the absence of land reforms, the commercialisation of agriculture benefited the rich farmers and created conditions of indebtedness among the poor farmers. The poor farmers did not have as much land or the financial resources to benefit from the green revolution.

Box 15.1: Mythand Fact

Myth: Poor people will be better off if they had fewer children to feed and clothe.

Fact: This depends on whether children are an asset or a liability. In the US, for instance, the cost of supporting a child to the age of 18, excluding college fees, is over \$100,000 and 50% of American women using contraception are doing so because they feel they cannot afford another child. But in countries of the South, boys are already producing more than they consume by the age of 10 and have repaid their parents' investment in their upbringing by the time they are 15.

(Source: Facts Against Myths 1993)

As for the environmental consequences, the use of pesticides, chemical fertilisers and hybrid seeds have had a negative effect on the soil quality. In fact, commercial agriculture and the over utilisation of ground water has created conditions of drought all over India. The environmental crisis has put even the tried and tested route to development of the modern and advanced countries to question. The construction of large dams, monoculture plantations and commercial agriculture have not only created conditions of poverty, but also questioned the explicit faith in the dominant ideas of progress and development to bring about the appropriate demographic changes. The overexploitation of the environment has put a large section of the world population at risk. Millions of persons have lost their livelihoods, face severe health risks, and have been forced to migrate to the already overpopulated cities in search of alternative employment. The indigenous peoples across the world or tribes, as they are known in India, have collectively campaigned against the destruction of their natural habitats, which has cut into their source of livelihood and forced them to migrate in search of employment.

Studies on fertility and poverty reveal the complex relationship between poverty and the tendency to have more children. For one, unlike the neo-Malthusian belief, children are not viewed as liabilities but as assets. The motivation to have more children varies from class to class. Landless labourers, who depend on manual labour, and the poor farmers, who cannot afford mechanised alternatives to manual labour, prefer to have more children. Overpopulation then is not the cause of poverty, but perhaps or at the most a symptom. This is to say that having more children is not the reason for their impoverishment, but is a calculated, rational economic decision on their part. According to the ILO statistics, 1995, there are 250 million children in the age group of 4 - 14 years working for a living and 50% of them are employed full time (Bandarage 1997: 159). The *World Development Report*, 1984 further supports this argument through its findings in Thailand, South Korea, Indonesia and Turkey; children here are considered as investments, as persons who would take care of their parents in the future. This heavy reliance on children also demonstrates the absence and poor performance of other forms of institutional support structures and welfare programmes in the third world. Clearly a unidirectional focus on population cannot explain or 'cure' poverty and its persistence in the third world.

Box 15.2: Myth and Fact

Myth: Muslims do not practice family planning because of their religion

Fact: Islam does not prohibit family planning. Several ‘Ulemas’ of different countries infact have already issued ‘fatwas’ saying that all temporary forms of family planning for medical and economic reasons are permitted. In Islamic countries like Turkey and Indonesia, for instance, family planning methods are quite popular. In Turkey, 63% of the population uses contraception and in Indonesia the figure stands at 48%.

Islam prohibits abortion only after 120 days of conceiving, except to save mother’s health.

(Source: Facts Against Myths 1993)

Another factor that needs to be discussed alongside the issue of overpopulation is the simultaneous prevalence of high rate of infant mortality and fertility in developing countries. An analysis of the reasons reveals structural factors for the same. The low status of women, lack of proper nutrition and personal health emerge as common reasons for high rates of infant mortality. Infant mortality only registers death of children in the first year of birth, while many of the children who do survive beyond the first year die due to lack of proper nutrition and care. In a system dominated by patriarchal values, which attaches greater value to a male child and recognises women primarily by their reproductive functions, the motivation for having many children is structural. In such a situation, women either lack the power to decide whether to have a child or not, or exercise their reproductive role in order to find acceptance in the system.

Contraceptives or other techniques of birth control have been misused to control women’s fertility. Thus instead of providing women greater control over their reproductive functions, birth control techniques have provided a means of controlling women’s bodies. The proliferation of illegal and private sex determination clinics all over India is the case in point. Female infanticide and termination of pregnancy to avoid having a girl child is a common practice. Similarly, in China, the resurgence of female infanticide and abandonment of children in the early 1980s was attributed to the pressure created by government’s family planning program. The fear is that the drop in the number in females will lead to other forms of exploitative practices against women such as revival of infant betrothal and new forms of sexual and economic slavery.

There is also a controversy over the politics of technology transfers from the first to the third world. The concern about population, and now HIV/AIDS, has also been viewed as a circuitous means of creating a market, or rather a “dumping ground” for many of the obsolete technologies, of the first world in the developing world. In such a scenario, is it good enough to control birth and bring down the population? Is it not important to address the ethical issues surrounding birth control technologies and the overdrive to check overpopulation without dealing with the larger structural dimensions of the problem? In order for family planning techniques and birth control measures to be meaningful, social and economic conditions of women have to be improved. By concentrating on women’s reproductive roles, women’s productive lives are not considered in comprehending their compulsions and the reproductive choices that they make.

Reflection and Action 15.2

How does population control policy of the state affect women’s status in society?

15.4 INDIA: The Population Experience and Developmental Concerns

India was one of the first countries to recognise the population problem and adopt an official national programme on family planning in 1952. Concern over the rise in population in India started well before independence, in the 1930s. Between 1881 and 1931, India's population grew from 27.7 million to 279.0 million; and between 1931 and 1940, it grew from 279.0 million to 318.7 million. The rise was phenomenal, from 10% in the first decade to a 14% in the second. This growth was unprecedented, primarily because of the measures taken to control epidemic and famine situations. The concern over the rise of population was more among the social reformers, intellectuals, and the Congress party than in the British government. The British government was cautious in raising the issue, as they had witnessed the reaction of people to birth control back in Britain and also because they did not want to create conditions of unrest among the Indians over the issue.

Most Congress workers, under the leadership of Mahatma Gandhi, were against birth control measures. The use of contraceptives was considered sinful; it was seen as a method to offset the procreative role of sex. But many leaders, scholars and trainees of the Indian Civil Service, who had been to England and were acquainted with the Malthusian theory, considered India as a likely casualty of the 'positive' checks — wars, famines and epidemics — due to overpopulation and poverty. The Neo-Malthusian League was established in Madras (present Chennai) as early as in 1929. The League brought out a propaganda journal titled *The Madras Birth Control Bulletin*. It was in Mumbai that birth control was for the first time seen not as a means to control the population, but as a method of liberating women from the frequent and difficult task of childbearing, preventing unwanted pregnancies, and improving the health of women. Professor R.D.Karve in Mumbai made it his life long mission to campaign for the rights of women and educate people about birth control. He later became the member of the Family Planning Association of India formed in 1949. In 1935, the All India Women's Conference also took up the issue of birth control in the annual meeting held in Thiruvananthapuram (Kerala) and adopted a resolution to uphold birth control with the view to improve the status of women in society.

The Bengal famine, in which over 1.5 million people died, and the inquiry that followed brought to light the effect of a rising population on the economy and poverty. Similarly the *Bhore Committee Report* of 1949 also related issues of public health, sanitation, and prevention from communicable diseases with population control. Both the reports formed the foundation for the family planning programme after independence and its inclusion into India's five-year development plans. The First Five-Year Plan (1951-6) stated its intention as follows, "the reduction of birth rate to the extent necessary to stabilize the population at a level consistent with the requirements of the national economy" (Srinivasan 1995: 30). Clearly, the intention was not just to reduce population, but also to stabilise population growth rate at a level that can be sustained by the national economy. But population control was pursued as an independent agenda, separate from the concerns of development and social change.

No numerical targets or demographic goals were set in the First and the Second Plan (1956-61) and people were expected to go to the clinics and seek family planning services. Besides providing the regular methods of birth control such as diaphragm, condoms, vaginal foam tablets, sterilisation services were also provided. The Third Plan (1961-66) replaced the clinic-oriented approach with an extension-education approach, which aimed at taking the message of birth control to the people instead of waiting for them to approach the government clinics. The message to the people was to adopt the small family

norm, which was not only a sensible choice in terms of giving their children a better future and improving the health of women, but also the need for building a healthy and prosperous country. The family planning programme was officially made a part of the public health departments and peripheral health workers such as the Auxiliary Nurses-Midwives (ANMs) were appointed in primary health centres to inform, motivate and encourage villagers to adopt family planning methods. By the Fourth Plan (1969-74), targets for sterilisation were set and camps were held to operate on people to meet targets. Although 61% of the target was achieved, population growth increased at the same rate, which perplexed policy makers and administrators.

It was in the Fifth Plan period (1974-79) that the National Population Policy (1976) was formulated. Concerted effort was made to improve the organisational structure of the health department and increase its efficiency in achieving family planning goals. Government offices, villages and urban centres were targeted for sterilisation. The Emergency that followed soon after, as per many analysts, brought out the uninhibited and obsessive side to this drive of bringing down the population. The emergency created a fear among people about forced sterilisation, and the newly elected Janata government changed its approach to pacify people's fear regarding birth control. It adopted the term "family welfare" instead of "family panning" to suggest a malleable character of the programme. The concentration was now on educating people and thereby motivating them to adopt family welfare measures. A number of recommendations of the 1976 policy were nonetheless adopted. For example, the age of marriage of boys and girls was raised to 21 and 18 respectively. The Sixth Plan (1980-85) set long and short-term targets, which persisted through the Seventh Plan (1985-91); the long-term goals focussed on reducing the size of the family, the birth, infant mortality and death rates, while the short-term goal was to encourage sterilisation, use of Intra-Uterine Devices (IUDs) and other conventional contraceptives.

The Plans demonstrated, time and again, that enacting laws or implementing birth control programmes was unable to deliver the desired results. The deeper analysis of the population puzzle reveals that the accompanying measures to reduce poverty levels, economic and social disparities in the country were not effectively translated into practice. Most remained on paper; the goal of employment for all, improving the quality of life of people by providing efficient and regular basic services of education, health and sanitation, and water and most importantly strengthening the capacity of people to procure these services without difficulty are yet to be achieved. High population growth rate is found in the northern states of India in comparison to the rest of the country. Interestingly, Kerala, which is one of the states that has brought down its fertility rates, is still one of the most economically backward states in the country. The Kerala experience illustrates how economic growth is not the only important condition for population regulation. Infact, the case of West Bengal, the other communist stronghold in the country has not been able to achieve the success of Kerala, primarily due to the lack of attention given to female literacy.

An analysis of states like Goa, Kerala and Tamiladu, which have registered a drop in population growth, demonstrates other supposedly "extraneous" reasons for the same. Goa despite the strong presence of the church has never been averse to family planning propaganda. It has like Kerala always recorded high female literacy level. The age at marriage of women has been higher than the rest of India. Kerala with a communist state in power for over two decades in the State and a strong workers' movement was able to direct economic and social change. Land reforms, regularisation of minimum wages in agriculture and the organised sectors, and premium attention to primary and secondary education ensured social justice and reduction of poverty levels, and thereby created conditions for fertility regulation and decline in population growth.

Tamilnadu's experience reveals the role of a strong bureaucracy and political will in popularising the family planning programmes. Known for the self-respect movement spearheaded by Periyar and his strong radical views on caste, status of women and education, marriage and contraception in the 1920s, the political and social climate was already set for implementing birth control programmes. The bureaucracy in Tamilnadu pioneered the family planning programmes and developed a comprehensive maternal and child welfare programme in the state. The 'camp approach' was also systematically institutionalised in the state. The programme was also decentralised to the district level and was made a special responsibility of the district administrators. Components of teaching or awareness building, extension or instructions about contraceptive services and 'after care' services to persons who undergo vasectomy was included in the programme. Popular initiatives (funded by International agencies) like midday meals for over 9 million school children, which also generated employment for over two hundred thousand women in the villages, further helped in building a mass base for the programme.

Evidently the supply driven services of fertility and population regulation have to be complemented by the principle of demand for these services. The demand or motivation for fertility regulation has to be created by concerned citizens, organisations and the government. Increasingly it is clear that a target-oriented programme of population control is narrow and does not address the larger social, political and economic issues that perpetuate conditions of poverty, illiteracy and ill health. Any policy framework for population control has to create favourable conditions for economic, social and political equality as well as environment friendly economic growth. Bureaucratic efficiency and good governance are also at the heart of a successful delivery system of health services. Unless this multi-pronged approach is adopted and implemented with right earnest, containing population growth will be difficult, if not impossible. The National Population Policy of India, 1994, explicitly argues for a pro-poor, pro-nature and a pro-women population programme, which views people as active partners in dealing with the population problem rather than the source itself. Initiatives by the Indian government to decentralise development concerns to the lowest levels of administration and thereby involving the elected representatives of the village councils and non-governmental organisations in implementing health programmes, as well as mainstreaming alternative medicine systems and health delivery systems within the government have been attempts to evolve a multi-pronged approach to population and development. The policy changes, however, have to be supported by a strong political will and a sense of social responsibility.

Reflection and Action 15.3

Select any two States in India. Collect data on these States of the 1991 and 2001 census on

- i) population by rural, urban, male and female;
- ii) literacy by rural, urban, male and female; and
- iii) work participation by rural, urban, male and female.

Arrange these data in a tabular form and compare the co-relationship among these variable as emerged in these states keeping the following questions in mind:

- a) What is the pattern of population growth in these states by gender?
- b) Is there a relationship between literacy and population growth?
- c) What is the relationship between work participation and population growth?

15.5 Conclusion

In this unit, the attempt is to move beyond statistics in understanding the issue of population growth. The issue of population control has always been surrounded by controversies. The first section illustrates how the population debate at its inception was closely associated with the social and economic changes in the western world. Religious orthodoxy, concerns of depopulation and the availability of labour and the overcrowding of urban centres and rising poverty plagued the debates on population growth. The attempt is to demonstrate the importance of ideological positions in the adoption of particular strategies in dealing with the issue of population.

The second section carries the debate further, as it evolved after the Second World War between the advanced countries and the newly independent nations of the third world. Over population was identified as the main reason for backwardness and poverty in the third world. While the third world believed that economic development would lead to a decline in the population rate, the same did not convince the advanced countries. The pressure to control population was mounted on the third world especially in the wake of the 'limit to growth' thesis, which argued that earth would not be able to sustain the ever-growing population on her limited resource base for long. The section also examines the implications of the population politics on women.

The third section traces the broad policy orientations on population in India and presented case studies to understand the reasons for the failure and success of the programmes in different parts of the country. Analyses revealed the role of larger structural and social reforms, and efficient government delivery systems as the underlying reasons for their success. These cases have prompted a countrywide debate on population, and some of issues have been included at least at the policy level. This unit traces the debate from its inception to the present with a view to addresses some of the issues that have contributed to its growth and intensity all over the world as well as in India.

15.6 Further Reading

Ahmed, Aijazuddin, Daniel Noin and H.N. Sharma (eds.) 1997. *Demographic Transition. The Third World Scenario*. Rawat Publications: Jaipur and Delhi

Bandarage, Asoka 1997. *Women, Population and Global Crisis. A Political-Economic Analysis*. Zed Books: London

Chaubey, P.K. 2001. *Population Policy for India. Perspectives, Issues and Challenges*. Kanishka Publishers: Delhi

Altruism: The dictionary meaning of altruism is the behaviour intended to help others and done without any expectation of personal benefit. Durkheim, the social thinker talks extensively about altruism and altruistic suicide. For him altruism is the violent and voluntary act of self-destruction for no personal benefit. Altruistic suicide occurs when the individual's integration with the society is too great and the collective consciousness is also too strong.

Asceticism: It is rejection of bodily pleasures through sustained self-denial and self-mortification, with the objective of strengthening spiritual life. Asceticism has been common in most of the major world religions, including Buddhism, Hinduism, Islam, Judaism, and Christianity etc., all of these have special ascetic cults or ascetic ideals. 'Fasting' is one of the most common ascetic practices seen among these religious practitioners.

Balance of Payments: It is a record of official estimates of all transactions between two countries during a year. It shows the sum total of all external transactions arising from export and import of goods and services and transfers, such as remittances and capital inflows and outflows (transactions on capital account).

Barbarism: An uncivilized or coarse state or condition; rudeness of manners; ignorance of arts, learning, and literature etc.

Biodiversity: A term for the variety of ecosystems, plants and animal species, and genetic differences that exist on the earth. Scientists estimate the number of species existing on earth as between 5 million and 30 million.

Bureaucracy: Bureaucracy is a sociological concept of government and its institutions as an organisational structure characterised by regularised procedure, division of responsibility, hierarchy, and impersonal relationships. According to Weber, the attributes of modern bureaucracy include its impersonality, concentration of the means of administration, a leveling effect on social and economic differences and implementation of a system of authority that is practically unyieldable.

Civilisation: An advanced state of intellectual, cultural, and material development in human society, marked by progress in the arts and sciences, the extensive use of record-keeping, including writing, and the appearance of complex political and social institutions.

Common Property Resources: Natural resources accessed through social and legal institutions that ensure sharing of benefits from the resources but that may also impose regulations on their use. The management of such natural resources will be community based. This is different from "open access" resources.

Commons: Commons are pieces of land historically available for grazing by anyone. They are any sets of resources that a community recognizes as being accessible to any member of that community and "owned" equally by every member of the community, even though the community recognises that only a limited number of members may use the resource at any given time. The nature of commons is different in different communities, but they often include cultural resources and natural resources. The Commons are most often a finite but replenishable resource, which requires responsible use in order to remain available.

Comparative Advantage: A component of free market theory that states that if each nation made just those things which it could produce cheaper relative to a foreign country and then trade with other nations to get that which they could produce relatively cheaper, wealth would expand and everyone would benefit. For David Ricardo, the economist who formulated the concept of comparative cost (today called as comparative advantage), comparison is of "unit labor requirements". His argument is that a country that trades for products that it can get at lower cost from another country is better off than if it had made the products at home.

Concomitant: Interrelated facts or phenomenon. It may be a social event or situation that happens at the same time as or in connection with another.

Diffusion: Diffusion is the spontaneous spreading of something such as particles, heat, or momentum. In cultural anthropology diffusion means spread of ideas or artifacts from one culture to another.

Approaches to Sustainable Development

Discourse: a term described by Dr. Ortwin Renn in the theory of communicative action, to denote a special form of dialogue in which all affected parties have equal rights and duties to present claims and test their validity in a context free of social or political domination. Michel Foucault saw a discourse as a system of ideas or knowledge, inscribed in a specific vocabulary (eg psychoanalysis, anthropology, cultural/literary studies). The important thing, for Foucault, was that such discourses were used to legitimate the exercise of power over certain persons by categorising them as particular 'types'.

Economic Growth Model of Development: The model of development essentially concerned with economic growth of a nation-state, which is measured in terms of increase in Gross National/ Gross Domestic Product (GNP/GDP) and per capita income. This model of development is based on capital accumulation from within the country wherever possible and with foreign assistance where domestic accumulation is not possible, and is characterized by rapid industrialisation. The strategies of economic growth, which had already proved successful in Western countries, were recommended for newly independent less developed countries. One of the assumptions of the economic growth model of development was that, the GNP/GDP growth would automatically trickle down to the lower income groups.

Ecosystem: A localised group of interacting and interdependent organisms together with the environment that they inhabit and depend on.

Egalitarian: A type of social organisation that assumes the equality of all people, in which every individual has an equal opportunity to obtain resources and the esteem of others in leadership activities.

Environment: Natural environment; the natural world as a whole or in a particular geographical area, in which plants, animals (including human beings) live and operate, influence the other elements of it and are being influenced by them.

Environmentalism: Environmentalism is the movement or activism that works toward protecting the natural world from harmful human activities. It is aimed at protecting the environment or improving its condition, particularly nature and quite often takes the form of public education programs, advocacy, legislation and treaties.

Exogenous: Exogenous (or exogeneous), originated from the Greek words "exo" and "gen", meaning "outside" and "production", refers to an action or object coming from outside a system. It is the opposite of endogenous that means something generated from within the system.

Gemeinschaft and Gessellschaft: Gemeinschaft and Gesellschaft are sociological categories introduced by the German sociologist Ferdinand Tonnies for two normal types of human association. (A normal type as coined by Tonnies is a purely conceptual tool to be built up logically, whereas an ideal type, as coined by Max Weber, is a concept formed by accentuating main elements of a historic/social change). Gemeinschaft is a form of community said to be common in traditional societies and associated with notions of stability and informal personal contact. Gesellschaft is a form of association common in urban-based industrial societies and associated with non-permanent and utilitarian social relationships.

Gender: Gender refers to the socially constructed roles ascribed to males and females and the resulting socially determined relations. These roles are learned, change over time, and vary widely within and across cultures. Gender is one of the key entry points for social analysis/ assessment. It is important to understand the social, economic, political, and cultural forces that determine how men and women participate in, benefit from, and control project resources and activities and thereby to highlight gender specific constraints, risks and opportunities.

Globalisation: Globalization (or globalisation) is a term used to describe the changes in societies and the world economies that are the result of dramatically increased international trade and cultural exchange. In specifically economic contexts, it is often understood to refer almost exclusively to the effects of trade, particularly trade liberalisation or free trade. Globalization is a comprehensive term referring to the processes leading to the emergence of a global society in which economic, political, environmental and cultural events in one part of the world influence people in other parts of the world. The process of globalisation is the result of advances in communication, transportation and information technologies, due to which there is phenomenal growth in linkages that connect individuals, communities, business and commercial institutions and governments around the world.

Gross Domestic Product: The monetary value of all of a nation's goods and services produced within a nation's borders and within a particular period of time, such as a year.

References

Hegemony: Hegemony is the dominance of one group over other groups, with or without the threat of force, to the extent that, for instance, the dominant party can dictate the terms of trade to its advantage; more broadly, cultural perspectives become skewed to favour the dominant group. Hegemony may result in the empowerment of certain cultural beliefs, values and practices to the submersion and partial exclusion of others.

Human Rights: Human rights are rights to which people are entitled simply because they are human beings, regardless of their nationality, race, ethnicity, gender, or religion. These are those basic standards without which people cannot live in dignity. To violate someone's human rights is to treat that person as though she or he were not a human being. To advocate human rights is to demand that the human dignity of all people be respected.

Immediacy: A lack of an intervening or mediating agency; for example, the immediacy of television coverage.

Imperialism: The policy of imposing the rule or command of an empire or nation over foreign countries, or of obtaining and occupying colonies and dependencies. Imperialism reached its peak in 1914, when almost 85% of the world's land surface was controlled by a handful of colonial powers, mostly European.

Import Substitution: An economic development strategy that replaces imports with domestic production. Its proponents favour the export of industrial goods over primary products. They emphasise the growth of domestic industries, often by import protection using tariff and non-tariff measures. Their argument is that the export of raw materials and the import of finished products do not make a favourable condition for industrial growth in developing countries.

Laissez-faire: *Laissez-faire* is a French phrase meaning idiomatically "leave to do, leave to pass" or more accurately "let things alone, let them pass". This phrase was first used by the eighteenth century Physiocrats as an injunction against government interference with trade, it is now used as a synonym for strict free market economics. The *laissez-faire* school of thought holds a pure capitalist or free market view. Their basic idea is that less government interference in private economic decisions such as pricing, production, and distribution of goods and services makes for a better system. Adam Smith played a large role in popularizing *laissez-faire* economic theories in English-speaking countries, though he was critical of a number of aspects of what is currently thought of as *laissez-faire* (such as lack of government regulation of business practices).

Land Reforms: Land reform, also known as agrarian reform, is the government-initiated or government-backed redistribution or transfer of ownership of or tenure in agricultural land. The term most often refers to transfer from ownership by a relatively small number of wealthy (or noble) owners with extensive land holdings (e.g. plantations, large ranches, or agribusiness plots) to individual or collective ownership by those who work in that land.

Metaphor: An idiom used to explain a fact or a phenomenon. This is a figure of speech in which two things are compared, usually by saying one thing is another, or by substituting a more descriptive word for the more common or usual word that would be expected. Some examples of metaphors: the world is a stage; he was a lion in battle; drowning in debt; a sea of troubles etc.

Mixed Economy: A mixed economy is an economy that combines capitalism and socialism. Some sources prefer the use of command economy over "socialism" in defining a mixed economy. It is an economy in which resources are allocated partly through the decisions of private individuals and privately owned business enterprises and partly through the decisions of the Government and state-owned enterprises. The two sectors are known as the private and public sectors, respectively. India followed the policy of mixed economy after independence. The economic policies started changing after the adoption of new economic policy in early 1990s.

Model: Hypothetical or a tested representation of a phenomenon

Nation State: A nation-state is a specific form of state, which exists to provide a sovereign territory for a particular nation, and derives its legitimacy from that function. In the ideal model of the nation-state, the population consists of the nation and only

Approaches to Sustainable Development

of the nation; the state not only houses it, but protects it and its national identity. A nation state may at the same time be a federal state.

Neoliberalism: Perhaps most often neoliberalism refers to a political-economic philosophy that has had major implications for government policies beginning in the 1970s, and increasingly prominent since 1980, which de-emphasises or rejects government intervention in the economy, focusing instead on achieving progress and even social justice by encouraging free-market methods and fewer restrictions on business operations and economic development.

New Economic Policy: The New Economic Policy (NEP) is a system of economic reforms, partly market-oriented, that Vladimir Lenin instituted in the erstwhile Soviet Union in 1921 after a period of existence of war communism. War Communism had included forced requisition of grain, nationalization of all trade and industry, strict control of labor, payment in kind, and confiscation of financial capital. As a result of this program and of the ravages of the war, industrial and agricultural production declined sharply, and the population suffered severe deprivation. During then Lenin introduced the NEP in order to revive the economy. The new program signified a return to a limited capitalist system. India adopted new economic policy in 1991. The new economic policy adopted by the Government aims at improving India's competitiveness in the global market and rapid growth of exports. Another element of the new economic policy is attracting foreign direct investment and stimulating domestic investment. The new economic policy was more of market oriented and with less government controls and interventions.

Oligarchy: The word oligarchy is originated from the Greek words for "few" and "rule". Oligarchy is a form of government where most political power effectively rests with a small segment of society, typically the most powerful, whether by wealth, military strength, ruthlessness, or political influence. Their power is maintained by force or by the shaping of the law to restrict the people and/or remove any need to consult them or be accountable to them. Many of the monarchies established in Europe during the Middle Ages began as oligarchies, with one family eventually gaining ascendancy over others.

Oligopolic Market: A market structure characterized by "fewness" of sellers. An oligopoly exists when a few companies dominate an industry. Given a situation in which there are only a few sellers, a phenomenon called "oligopolistic interdependence" is expected. In an oligopolic market situation the prices are set by agreement rather than by the operation of the supply and demand mechanism. For an oligopoly to exist, the few companies do not need to control all the production or sale of a particular commodity or service. They only need to control a significant share of the total production or sales.

Open Access Resources: Natural resources accessible to anyone, with no restrictions on their use. Since there is no restriction of its use by the users there is a chance for over exploitation.

Orientalism: This is a term introduced by the Palestinian cultural critic Edward Said in his book *Orientalism* published in 1978. By orientalism he refers to the historical and ideological process whereby false images of and myths about the Eastern or "oriental" world have been constructed in various western discourses. It is the incorrect Western tendency to view all Asian cultures as a kind of homogenous whole and to place them within an artificial framework that is distinctly opposed to their own, which is also somewhat artificially conceived; i.e., all Westerners are rational and linear, all Asians are non-rational and spatial, etc.

Paradigm: Refers to a pattern or model; a collection of assumptions, concepts, practices, and values that constitutes a way of viewing reality, especially for an intellectual community that shares them.

Patriarchy: It is the social organization marked by the supremacy of the father in the clan or family; the legal dependence of wives and children on him, and the reckoning of descent and inheritance in the male line. In a social system patriarchy is understood as the male domination of ownership and control, at all levels in society, which maintains and operates the system of gender discrimination. Here system of control is justified in terms of patriarchal ideology, which means a system of ideas based on a belief in male superiority and sometimes the claim that the gender division of labour is based on biology or even based on scripture.

Pedagogy: It stands for the strategies, techniques, and approaches that teachers can use to facilitate learning. The literal definition tends to be — the "science" of teaching children but it is a term, which has being commonly accepted to mean the study of teaching and learning in all contexts.

Phenomenology: Phenomenology, a 20th-century philosophical movement dedicated to describing the structures of experience as they present themselves to consciousness, without recourse to theory, deduction, or assumptions from other disciplines such as the natural sciences.

Policy of Autarky: An autarky is an economy that does no trade with the outside world (engage in international trade), or an ecosystem not affected by influences from its outside, and relies entirely on its own resources (a state of self-sufficiency). In the economic meaning, it is also referred to as a “closed economy.”

Promethean: Promethean means advancing human life through self-expression, augmented by authentic freedom, experimentality and individualism. The philosophy of prometheanism opposes repression, orthodoxy, and collectivism; instead it values the liberated and realized person.

Purchasing Power: The ability to purchase goods and services or the amount of goods and services that one unit of money can buy. During times of inflation, purchasing power decreases when money is held because of a decline in the value of the currency. In other words, creditors lose while borrowers gain. In economics, purchasing power refers to the amount of goods and services a given amount of money or, more generally, liquid assets can buy.

Reaganomics: The term Reaganomics, a portmanteau of Reagan and economics, was used to describe, and decry, the economic policies of U.S. President Ronald Reagan during the 1980s. Reagan assumed office during a period of high inflation and unemployment. His new Right policies included cutting back on government spending by privatisation, and deregulating the economy.

Reductionist: Reductionism in philosophy describes a number of related, contentious theories – can always be reduced to or explained by simpler or more fundamental things. This is true of objects, phenomena, explanations, theories, and meanings. The term is often used to criticize an imagined position rather than to describe a real one.

Self- reliance: The capacity to manage one’s own affairs, make one’s own judgments, and provide for oneself.

Social Justice: Social justice, also called as civil justice, is a concept largely based on various social contract theories. It refers to a worldview that calls for equality of consideration for all members of a society, regardless of colour, race, socio-economic class, gender, age, or sexual preference. With reference to State it refers as governments are instituted among populations for the benefit of members of those populations; those governments which fail to see to the welfare of their citizens are failing to uphold their part in the social contract and are, therefore, unjust.

Structural Adjustment Programme: Structural Adjustment Programmes (SAPs) were designed in the 1980s as a response by the major international creditor agencies, the World Bank (WB) and International Monetary Fund (IMF) to the growing economic crisis and balance of payments problems encountered by many developing countries subsequent to the two major oil shocks in the 1970s. Both World Bank and IMF concluded that short-term stabilisation policies, which were traditionally prescribed to address such crisis, had proved to be inadequate, ineffective and had lacked vision. There was a growing realisation at the WB and IMF that economic crisis of the type faced by majority of the developing countries in the 1980s originated from deep-rooted structural weaknesses in their economics. Consequently, this recognition influenced the Bank and Fund to design a new generation of ‘stabilisation facilities and policy based loans’, which together came to be known as Structural Adjustment Programme (SAP). Reforms underwritten by the SAPs mainly concentrated on deregulation, decontrol and liberalisation of the economy, and they put major emphasis on market instruments as the main driving force behind the economy.

Subsistence Economy: A subsistence economy is an economy in which a group obtains the necessities of life through self-provisioning. In such a system wealth is not measured in any form of currency, but rather exists in the form of natural resources. Food in a subsistence economy is grown or hunted, and homes built from surrounding trees. In such a system very short surpluses generally exist, and therefore there is a reliance on renewal and reproduction within the natural environment to ensure survival.

Symbol: Something that represents something else by association, resemblance, or convention, especially a material object used to represent something invisible. Symbols

Approaches to Sustainable Development

often take the form of words, visual images, or gestures that are used to convey ideas and beliefs. All human cultures use symbols to express the underlying structure of their social systems, to represent ideal cultural characteristics, such as beauty, and to ensure that the culture is passed on to new generations. Symbolic relationships are learned rather than biologically or naturally determined, and each culture has its own symbols.

Teleology: A theoretical proposition which argues that the cause and direction of changes in phenomena are determined by a previously existing plan or purpose, as opposed to mechanism wherein they are determined according to the laws of the natural sciences. All human actions (purposive human behavior) are teleological, i.e., they are activated by the purpose of the actor.

Trickle-down Theory: The proponents of this theory maintain that the benefits given to the upper classes will “trickle down” to those below them on the social hierarchy, mostly as a result of the normal workings of free markets. This economic theory argues that the support of businesses that allows them to flourish will eventually benefit middle- and lower-income people, in the form of increased economic activity and reduced unemployment.

Welfare State: A nation in which the government undertakes large-scale action to ensure the provision of social goods and benefits. These welfare programs are usually provided at public expense with little or no cost to the recipient of the services. Policy prescriptions advanced by proponents of the welfare-state emphasise securing a minimum standard of living for all citizens where no one is denied an essential service which might be available to others; the production of social goods and services; the control of the business cycle; and the manipulation of total output to allow for social costs and revenues. Among the instruments of the modern welfare state are progressive taxes, social security, unemployment insurance, agricultural subsidies, and government-subsidized housing programs.

References

References

- Agarwal**, A. 1992. "What is Sustainable Development", *Down to Earth*. June 15th: 50-51
- Agarwal**, A. 1995. "Indigenous and Scientific Knowledge: Some Critical Comments", *Indigenous Knowledge and Development Monitor*. December. <http://www.nuffic.nl/ciran>
- Ahmed**, Aijazuddin, Daniel Noin and H.N. Sharma (eds.) 1997. *Demographic Transition: The Third World Scenario*. Rawat Publications: Delhi
- Albow**, M.C. 1968. "Rationality". In Mitchell (ed.) *A New Dictionary of Sociology*. Routledge and Kegan Paul: London
- Appadurai**, Arjun 1996. *Modernity at Large, Cultural Dimensions of Globalisation*. University of Minnesota Press: London
- Apthorpe**, R. 1997. "Writing Development Policy and Policy Analysis Plain or Clear: On Language, Genre and Power". In C. Shore and S. Wright (eds.) *Anthropology of Policy: Critical Perspectives on Governance and Power*. Routledge: London
- Aron**, Raymond 1965. *Main Currents in Sociological Thought*. Basic Books: New York
- Bandarage**, Asoka 1997. *Women, Population and Global Crisis. A Political-Economic Analysis*. Zed Books: New Jersey
- Barnett**, T. 1988. *Sociology and Development*. Hutchinson: London
- Batliwala**, S. 1993. *Empowerment of Women in South Asia: Concepts and Practices*. ASSBAF: Sydney
- Baviskar**, Amita 1997. "Ecology and Development in India: A Field and its Future", *Sociological Bulletin*. Vol. 46, No. 2, September, pp. 193-207
- Beauvoir**, Simone de 1949. *The Second Sex*. Penguin: London
- Beck**, U. 1992. *Risk Society: Towards a New Modernity*. Sage Publications: London
- Beck**, U. 1995. *Ecological Politics in an Age of Risk*. Polity Press: Cambridge
- Bendix**, R. 1964. *Nation-building and Citizenship*. Wiley: New York
- Benjamin**, Walter 2000. *The Work of Art in the Age of Mechanical Reproduction*. http://pixels.filmvtv.ucla.edu/gallery/web/julian_scaff/benjamin/benjamin.html, March 8
- Bernhard**, Glaeser 1997. "Environment and Developing Countries". In Michael Redclift and Graham Woodgate (eds.) *The International Handbook of Environmental Sociology*. Edward Elgar: Cheltenham
- Beteille**, A. 2000. *Antinomies of Society: Essays on Ideologies and Institutions*. Oxford University Press: New Delhi
- Blaney**, D.L. and Pasha, M. K. 1993. "Civil Society and Democracy in the Third World: Ambiguities and Historical Possibilities", *Studies in Comparative International Development*. Vol. 28 No. 1: 3-24
- Bodenheimer**, Jonas S. 1971. "Dependency and Imperialism: the Roots of Latin American Underdevelopment". In Fann, K.T. and D.C. Hodges (eds.) *Readings in U.S. Imperialism*. Porter Sergent: Boston
- Bose**, Ashish 1989. *From Population to People*. D.K. Publication: Delhi
- Bottomore**, T.B. 1962. *Sociology: A Guide to Problems and Literature*. Unwin University Books: London
- Boyer**, R. 1990. *The Regulation School: a Critical Introduction*. Columbia Press: New York
- Braaten**, Jane 1991. *Habermas's Critical Theory of Society*. State University of New York Press: Albany
- Brokensha**, D.D. Warren and O. Werner (eds.) 1980. *Indigenous Knowledge Systems and Development*. University Press of America: New York
- Calhoun**, Criag etal (eds.) 2002. *Contemporary Sociological Theory*. Blackwell: New York

**Approaches to
Sustainable Development**

- Cambridge**, S. (ed.) 1996. *Development Studies: A Reader* E. Arnold: New York
- Chambers**, R. 1983. *Rural Development: Putting the Last First*. Longman: London
- Chambers**, R. 1989. *The State and Rural Development: Ideologies and an Agenda for 1990s*. IDS Discussion Paper 169. Institute of Development Studies: Brighton
- Chandhoke**, N. 1995. *State and Civil Society: Exploration in Political Theory*. Sage Publication: New Delhi
- Chandra**, Sudhir 1975. *Consciousness in Later 19th Century India*. Manas Publications: New Delhi
- Chaubey**, P.K. 2001. *Population Policy for India. Perspectives, Issues and Challenges*. Kanishka Publishers: Delhi
- Caldwell**, Lynton K. 1990. *International Environmental Policy: Emergence and Dimensions*. Duke University Press: U.S.A.
- Cohan**, J. L. and Arato, A. 1994. *Civil Society and Political Theory*. MIT Press: London
- Cohen**, J.M. and Uphaff 1980. "Participation's Place in Rural Development: Seeking Clarity Through Specificity", *World Development*. Vol. 8, No. 30
- Collins**, P.H. 1990. *Black Feminist Thought: Knowledge, Consciousness and the Politics of Empowerment*. Routledge: London
- Coser**, L. A. 1996. *Masters of Sociological Thought*. Rawat Publication: New Delhi
- Cowen**, M .P. and R .W. Shenton 1996. *Doctrines of Development*. Routledge: London
- Davis**, Kingsley 1949. *Human Society*. Macmillian: New York
- Darwin**, Charles 1999 (reprint). *The Origin of Species*. Wordsworth Edition: London
- Dean**, Mitchell 2001 "Michel Foucault: A Man in Danger". In George Ritzer and Barry Smart (eds.) *Handbook of Social Theory*. Sage Publications: London
- Desai**, A.R. (ed.) 1971. *Essays on Modernisation of Underdeveloped Societies*. Vol 1. Thacker and Co. Ltd.: Mumbai
- Desai**, S. 1994. *Gender Inequalities and Demographic Behaviour, India*. St. Martin's Press: New York
- Deutsch**, Karl W. 1961. "Social Mobilisation and Political Development", *American Political Science Review*. Vol. 55, No.3, pp. 493-514
- Dhanagare**, D. N. 1995. "Disentangling the Divide Between Indigenous and Scientific Knowledge", *Development and Change*
- Dhanagare**, D. N. 1996. "Development Process and Environmental Problems" (in Marathi), *Samajshastra Sanshodhan Patrika*. No.5, March pp.7-19
- Dos Santos**, T. 1971 "The Structural Theory of Imperialism", *Journal of Peace Research*
- Dube**, S.C. 1988. *Modernisation and Development*. Vistaar publications: New Delhi
- Dube**, S.C. 1992. *Understanding Change: Anthropological and Sociological Perspectives*. Vikas Publishing House: New Delhi
- Durkheim**, Emile 1984 (reprint). *The Division of Labour in Society*. The Free Press: New York
- Editorial** 2002. "Johannesburg Fiasco", *The Hindu*. Chennai, September 9
- Eduardo**, Sevilla-Guzman and Graham Woodgate 1997. "Sustainable Rural Development: From Industrial Agriculture to Agroecology." In Michael Redclift and Graham Woodgate (eds.) *The International Handbook of Environmental Sociology*. Cheltenham: Edward Elgar
- Edwards**, M. 2000. *NGO Rights and Responsibilities*. The Foreign Policy Centre: London
- Edwards**, R. 1991. "The Inevitable Future? Post Fordism in Open Learning", *Open Learning* Vol. 6 No. 2: 36-42
- Eisenstadt**, S.N. 1996. *Modernisation: Protest and Change*. Prentice Hall: Englewood Cliffs

- Elliott**, Anthony 1996. *Subject to Ourselves: Social Theory, Psychoanalysis and Postmodernity*. Polity Press: Cambridge
- Erich**, Fromm 1996. *To Have or To be*. Continuum International Publishing Group:
- Escobar**, Arturo 1995. *Encountering Development: Making and Unmaking of the Third World: Studies in Culture, Power and History*. Princeton University Press: Princeton
- Esteve** Gustavo 1997. "Development" In W. Sachs (ed.) *The Development Dictionary: A Guide to Knowledge as Power*. Zed Books: London
- Farganis**, James 1996. *Readings in Social Theory: The Classic Tradition to Post-Modernism*. McGraw-Hill: New York
- Fisher**, W. F. 1997. "Development and Resistance in the Narmada Valley". In William F. Fisher (ed.) *Toward Sustainable Development - Struggling over India's Narmada River*. Rawat Publications: New Delhi
- Frank**, A.G. 1973. "The Development of Underdevelopment". In James D. Cockcroft et al (eds.) *Dependence and Underdevelopment*. Anchor Books: New York
- Frank**, A.G. 1975. *On Capitalist Underdevelopment*. Oxford University Press: Bombay
- Friberg**, M. and B. Hettne 1985. "The Greening of the World Towards a Non-deterministic Model of Global Process". In Addo, H.S. Amin et al (eds.) *Development as Social Transformation*. Hodder and Stoughton: London
- Friedmann**, J. 1992. *Empowerment: The Politics of Alternative Development*. Black well: Oxford
- Gadgil**, D.R. 1967. *District Development Planning*. Gokhale Institute of Politics and Economics: Poona
- Gandhi**, M.K. 1938. *Hind Swaraj or Indian Home Rule*. Navajivan Trust: Ahmedabad
- Gandhi**, M.K. 1968. *The Selected Works of Mahatma Gandhi*, Vol.III. Navajivan Trust: Ahmedabad
- Giddens**, A. 1990. *The Consequences of Modernity*. Stanford University Press: Stanford
- Giddens**, A. 1991. *Modernity and Self – Identity: Self and Society in the Late Modern Age*. Stanford University Press: Stanford
- Gisbert**, P.S.J. 1994. *Fundamentals of Sociology*. Orient Longman: Bombay
- Government of India** 1969. *Fourth Five-Year Plan*. Planning Commission: New Delhi
- Gramsci**, A. 1998. *Selections from the Prison Notebooks* (reprint). Orient Longman: Chennai
- Grosz**, Elizabeth 1989. "Sexual Difference and the Problem of Essentialism", Centre for Culture Studies Journal. Vol. 3/9. University of California
- Gultung**, J. 1979. *Development and Technology: Towards A Technology of Self-reliance*. United Nations: New York
- Gupta**, D. 1999. "Civil Society or the State/ What Happened to the Citisenship". In Guha R. and J. Parry (eds.) *Institutions and Inequalities: Essays in Honour of Andre Betelle*. Oxford University Press: New Delhi
- Haq**, Mahbub ul 1998. *Reflections on Human Development*. Oxford University Press: New Delhi
- Harvey**, D. 1989. *The Condition of Post-modernity*. Blackwell: Oxford
- Hayek**, F. 1944. *The Road to Serfdom*. Chicago University Press: Chicago
- Hayek**, F. 1982. *Law, Legislation and Liberty*. Chicago University Press: Chicago
- Hettne**, B. 1995 (2nd edition). *Development Theory and the Three Worlds*. Longman: London
- Hirschman**, A.O. 1971. "Political Economics and Possibilism". In Hirschman, A.O. (ed.) *A Bias for Hope* New Haven. Yale University Press: Yale

Approaches to Sustainable Development

- Hirschman**, A.O. 1981. "The Rise and Decline of Development Economics". In Hirschman, A.O. (ed.) *Essays in Trespassing*. Cambridge University Press: Cambridge
- Hobart**, M. (ed.) *An Anthropological Critique of Development: The Growth of Ignorance*. Routledge: London
- Hollingsworth**, J R and R Boyer (eds.) 1997. *Contemporary Capitalism: The Embeddedness of Institutions*. Cambridge University Press: Cambridge
- Huntington**, Samuel P. 1971. "The Change to Change: Modernisation, Development and Politics". In Cyril E. Black (ed.) *Comparative Modernisation: A Reader*. Free Press: New York
- Kabeer**, Naila 1995. *Reversed Realities: Gender Hierarchies in Development Thought*. Kali for Women: New Delhi
- Kellner**, Douglas 1989. *Critical Theory, Marxism and Modernity*. Polity Press: Oxford
- Kellner**, Douglas 1990. *Critical Theory and the Crisis of Social Theory. From Illuminations*, <http://www.uta.edu/huma/illuminations/kell5.htm>
- Kellner**, Douglas 1995. *Media Culture: Cultural Studies, Identity and Politics Between the Modern and the Postmodern*. Routledge: New York
- Keynes**, 1936. *General Theory of Employment, Interest and Money*. MacMillan Cambridge University Press: New York
- Khor**, Martin 2000. "Development - Time for a Paradigm Shift". In *The Hindu Survey of the Environment - 2000*. The Hindu: Chennai pp. 37-43
- Kitching**, G. 1989. *Development and Underdevelopment in Historical Perspective*. Routledge: London
- Knaonburg**, J. 1986. *Empowerment of the Poor: A Comparative Analysis of Two Development Endeavours in Kenya*. Institute Voor de Tropen: Kninlijk
- Krishnaraj**, Maithreyi 1993. "New Economic Policy and Development of Women: Issues and Implications". In IAWS (ed.) *The New Economic Policy and Women: A Collection of Background Papers to Sixth National Conference*. IAWS: Mumbai
- Kumar**, K. 1993. "Civil Society: An Inquiry into the Usefulness of a Historical Term", *British Journal of Sociology*. Vol. GG No. 3, 375-95
- Lall**, S. 1975. "Is Dependency a Useful Concept in Analysing Underdevelopment?", *World Development*. Vol. 3
- Landis**, Judson R. 1969. *Current Perspectives on Social Problems*. Wordsworth Belmont: CA
- Lele**, U. (ed.) 1975. *The Design for Rural Development: Lessons for Africa*. John Hopkins University Press: Baltimore
- Long**, N. 1992. "From Paradigm Lost to Paradigm Regained? The Case for an Actor-oriented Sociology of Development". In Long, N. and A. Long (eds.) *Battlefields of Knowledge*. Routledge: London
- Malthus**, Thomas 1798. *Essay on Principle of Population*
- Macionis**, John J. 1997. *Sociology*. 6th edition. Prentice Hall Publications: Englewood Cliffs, New Jersey
- MacPherson**, C.B. 1996. *The Real World of Democracy*. Clarendon Press: Oxford
- Marglin**, Stephen A. 1990. "Toward the Decolonization of the Mind". In F.A. Marglin and S.A. Marglin (eds.) *Dominating Knowledge: Development, Culture and Resistance*. Oxford University Press: New York
- Mary Eyelyn**, Tucker 2002. *The Ethical Challenges in Promoting Sustainable Development*. <http://www.earthdialogues.org>
- Max-Neef** Manfred, A. 1991. *Human Scale Development*. The Apex Press: New York
- Marx**, Karl 1992. *Capital: A Critique of Political Economy*. Translated by Ben Fowkes. Penguin: U.K.

- Marx**, Karl 1998 (reprint) *The Communist Manifesto*. Penguin: New York
- Mies**, Maria 1999. *Patriarchy and Accumulation on a World Scale: Women in International Division of Labour*. Zed Books: London
- Ministry of Education and Social Welfare** 1974. *Towards Equality: Report of Committee on Status of Women in India*. Government of India: New Delhi
- Moghadam**, V. 1994. *Identity Politics and Women: Cultural Reassertions and Feminisms in International Perspective*. Westview: Colorado
- Mohanty**, R. N. 1998. "Environment and Development: Search for an Alternative Paradigm". In Pawar, S. N. and R.B. Patil (eds.) *Sociology of Environment*. Rawat Publications: New Delhi
- Molyneux**, Maxine and Sahra, Razavi (ed.) 2003. *Gender Justice; Development and Rights*. Oxford University Press: New York
- Molyneux**, Maxine 1985. "Mobilization without Emancipation? Women's Interests, the State and Revolution in Nicaragua", *Feminist Studies* 11(2) pp
- Moser**, Carolene O.N. 1993. *Gender Planning and Development: Theory, Practice and Training*. Routledge: London
- Mukherjee Reed**, Ananya 2004. *Cultural Liberty in Today's Diverse World*. International Development Economics Associates: New Delhi
- Munshi**, Indra 2000. "Environment in Sociological Theory", *Sociological Bulletin*. pp.253-266
- N.C.E.R.T.** 2002. *Indian Economics Development*. N.C.E.R.T.: New Delhi
- Nanda**, B.R. 1981 (reprint) *Mahatma Gandhi: A Biography*. Oxford University Press: New Delhi
- Narain**, Sunita 2002. "Southern Challenges: Need for One Vision", *The Hindu Survey of the Environment*. The Hindu: Chennai pp.13-17
- Nayar**, K. R. 1994. "Politics of Sustainable Development", *Economic and Political Weekly*. May 28, 1327-1330
- Neumann**, Roderick P. 2005. *Making Political Ecology*. Oxford University Press: U.S.A.
- Nisbet**, Robert A. 1969. *Social Change and History; Aspects of the Western Theory of Development*. Oxford University Press: New York
- Nozik**, R. 1974. *Anarchy, State and Utopia*. Basic Books: New York
- Oommen**, T.K. 1998. "Changing Paradigm of Development: The Evolving Participatory Society", *Journal of Social and Economic Development*. 1:35-45
- Pandey**, Ragendra 1985. *Sociology of Development: Concepts, Theories and Issues*. Mittal Publications: New Delhi
- Panie**, T. 1997. *The Rights of Man*. Wordsworth Editions: UK
- Paul**, S. 1987. "Community Participation in Development Project: The World Bank Experience". In *World Bank Readings in Community Participation*. The World Bank: Washington, D.C.
- Pieterse**, J.N. 2001. *Development Theory*. Vistaar Publications: New Delhi
- Poggi**, G. 1978. *The Development of the Modern State*. Hutchinson: London
- Polanyi**, K. 1944. *The Great Transformation: the Political and Economic Origins of Our Time*. Beacon Press: Boston
- Prafitt**, T. 2002. *The End of Development: Modernity, Post Modernity and Development*. Pluto Press: London
- Putnam**, R. 1993. *Making Democracy Work: Civic Traditions in Modern Italy*. Princeton University Press: Princeton
- Rahman**, M.A. 1993. *People's Self-development: Perspectives on Participatory Action Research*. Zed and Dhaka University Press: London and Dhaka

**Approaches to
Sustainable Development**

- Rahnema**, M. and V. Bawtree (eds.) 1997. *The Agony of the Modern State in and the Post-Development Reader*. Zed Books: London
- Reddy**, C. R. 2002. "A Tired Reprise of Rio", *The Hindu*. Chennai. August 31
- Reddy**, V. Ratna. 1995. "Environment and Sustainable Agricultural Development", *Economic and Political Weekly*. March 25, pp. 21-27
- Ritzer**, George 2000. *Modern Sociological Theory*. 5th edition. Higher Education: McGraw Hill: UK
- Rojas**, Robinson 1984. *Latin America: Blockages to Development*. Doctoral Dissertation, London <http://www.rrojasdatabank.org>
- Ross**, Eric. B. 1998. *The Malthus Factor: Poverty, Politics and Population in Capitalist Development*. Zed Books: New York
- Rostow**, Prem W.W. 1960. *The Stages of Economic Growth*. Cambridge University Press: Cambridge
- Rowlands** Jo 1997. "What is Empowerment". In H. Afshar and F. Alikhan (ed.) *Empowering Women for Development: Experiences from Some Third World Countries*. Book Links: Hyderabad
- Sachs**, Wolfgang 1992. "Introduction". In W. Sachs (ed.) *The Development Dictionary: A Guide to Knowledge as Power*. Zed Books: London
- Sachs**, Wolfgang 1997. "Sustainable Development". In Michael Redclift and Graham Woodgate (eds.) *The International Handbook of Environmental Sociology*. Edward Elgar: Cheltenham
- Salas**, R. and D. Valentei (eds.) 1986. *Population and Socio-economic Development*. Progress Publishers: Moscow
- Salunkhe**, S. A. 2003. "The Concept of Sustainable Development: Roots, Connotations and Critical Evaluation", *Social Change* Vol. 33, No.1, pp. 67-80
- Santhanam**, M.L. 1993. "Community Participation for Sustainable Development", *The Indian Journal of Public Administration*. Vol. XXXIX, No. 3
- Seager**, Joni and Olson, Ann 1986. *Women in the World: An International Atlas*. Pan Books: London
- Schrijvers**, Joke 1993. *The Violence of Development: A Choice for Intellectuals*. Kali for Women: New Delhi
- Scoth**, Lash 1990. *Sociology of Post Modernism*. Routledge: London
- Scott**, M. 2001. "Danger- Landmines: NGO-Government Collaboration in the Ottawa Process". In Michael Edwards and John Gaventa (eds.) *Global Citizen Action*. Lynne Rienner Publishers: Boulder
- Sen** G. and C. Grown 1988. *Development, Crisis and Alternative Visions*. Earthscan: London
- Sen**, Amartya 1999. *Freedom as Development*. Oxford University Press: New Delhi
- Sen**, Lalit K. 1972. "The Need for Micro-Level Planning in India". In Lalit K. Sen (ed.) *Readings on Micro-Level Planning and Rural Growth Centres*.
- Seth**, Mira 2001. *Women and Development: Indian Experience*. Sage Publication: New Delhi
- Sharma**, K. 1992 "Grass-root Organisations and Women's Empowerment: Some Issues in Contemporary Debates", *Samya Shakti*. Vol. VI: 28-43
- Singh**, Baljit 1961. *New Step in Village India: A Study of Land Reforms and Group Dynamics*. Asia Publication: Delhi
- Singh**, Katar 1999. *Rural Development: Principles, Policies and Management*. Sage Publications: New Delhi
- Singh**, Radha Raman 1982. *Studies in Regional Planning and Rural Development*. Associated Book Agency: Patna
- Singh**, Tarlok 1969. *Towards an Integrated Society: Reflections on Planning, Social Policy and Rural Institutions*. Orient Longman: Bombay

Singh, Yogendra 1977. *Modernisation of Indian Tradition*. Thomson: Faridabad

References

SinghaRoy, D.K. 1995. "Peasant Movement and Empowerment of Rural Women", *Economic and Political Weekly*. Sept. 16: 2306-11

SinghaRoy, D.K. 2001. "Critical Issues in Grassroots Mobilisation and Collective Action". D.K. SinghaRoy (ed.) *Social Development and Empowerment of the Marginalised Groups: Perspectives and Strategies*. Sage Publications: New Delhi

Sittirak, S. 1988. *The Daughters of Development: Women in a Changing Environment*. Zed Books: London

Smythe, E. and P.J. Smith. 2003. "NGOs, Technology and the Changing Face of Trade Politics". In K. L. Brock (ed.) *Delicate Dances: Public Policy and the Non Profit Sector*. McGill-Queen's University Press: London

So, A.Y. 1990. *Social Change and Development*. Sage Publications: London

Somjee, A.H. 1991. *Development Theory*. Macmillian: London

Spencer, E. 1967 (reprint). *The Evolution of Society*. University of Chicago Press: Chicago

Srinivasan, K. 1995. *Regulating Reproduction in India's Population. Efforts, Results and Recommendations*. Sage Publications: Delhi

Starke, Linda 1990. *Signs of Hope*. Oxford University Press: New York

Stavenhagen, R. 1986. "Ethno development: A Neglected Dimension in Development Thinking". In A. Apthorpe and A. Krahl (ed.) *Development Studies: Critique and renewal*. Leiden: Brill

Stavrianos, L.S. 1981. *Global rift: the Third World Comes of Age*. William Morrow: New York

Sunkel, O. 1969. "National Development Policy and External Dependence in Latin America", *Journal of Development Studies*

Symonds, Richard and Michael Carder 1973. *The United Nations and the Population Question 1945-1970*. McGraw Hill Book Company: Great Britain

Tendulkar, Dinanath G. 1982 (reprint). *Mahatma: Life of Mohanchand Karamchand Gandhi*. Vol. 1-8. Publication Division, Ministry of Broadcasting, Government of India: New Delhi

Thomas, Allan 2000. "Meanings and Views of Development". In Tim Allen and Allan Thomas (eds.) *Poverty and Development into the 21st century*. Oxford University Press: Oxford

Tim, Allan 2000. "Poverty and the End of Development". In Tim Allen and Allan Thomas (eds.) *Poverty and Development into the 21st century*. Oxford University Press: Oxford

Timasheff, Nicholas S. 1967. *Sociological Theory: Its Nature and Growth*. Random House: New York

Toffler, A. 1980. *The Third Wave*. Pan Books: London

Torring, J. 1999. *New Theories of Discourse*. Blackwell: Mass

Tucker Kenneth, H. Jr. 1998. *Anthony Giddens and Modern Social Theory*. Sage Publications: London

UNDP 1990. *Human Development Report*. Oxford University Press: New Delhi

UNDP 1993. *UNDP and Civil Society*. Oxford University Press: New York

UNDP 1996. *Human Development Report*. Oxford University Press: New Delhi

UNDP 1997. *Human Development Report*. Oxford University Press: New Delhi

UNDP 1998. *Human Development in South Asia*. Oxford University Press: New Delhi

UNDP 1998. *Human Development Report*. Oxford University Press: New Delhi

UNDP 2001. *Human Development Report*. Oxford University Press: New Delhi

UNDP 2004. *Human Development Report*. Oxford University Press: New Delhi

**Approaches to
Sustainable Development**

United Nations 1995. *Declaration of the World Summit for Social Development*. United Nations: Copenhagen

Valentey, D.I. (ed.) 1974. *The Theory of Population. Essays in Marxist Research*. Progress Publishers: Moscow

Vandana Shiva 1988. *Staying Alive: Women, Ecology and Survival in India*. Kali for Women: New Delhi

Wallerstein, I. 1974. *The Modern World System: Capitalist Agriculture and the Origins of the European World Economy in the Sixteenth Century*. Academic Press: New York

Wallerstein, I. 1979. *The Politics of the World economy*. Cambridge University Press: Cambridge

Watson, George (ed.) 1957. *The Unserving State: Essays in Liberty and Welfare*. George Allen and Unwin: London

Weber, Max 1967 (reprint). *The Protestant Ethic and the Spirit of Capitalism*. Vintage: New York

Webster, F. 1995. *Theories of Information Society*. Routledge: London

Wilbert, Moore 1963. *Social Change*. Prentice Hall: U.K.

Willber, Charles K. and Jameson P. Kenneth 1988. "Paradigm of Economic Development and Beyond". In Charles K. Willber (ed.) *The Political Economy of Development and Undevelopment*. Random House: New York

Wolfe, A. 1977. *The Limits of Legitimacy*. Free Press: New York

World Bank 1992. *World Development Report: Development and the Environment*. Oxford University Press: New York

World Bank 1997. *World Development Report*. Oxford University Press: New Delhi

World Bank 1999. *World Development Report 1999/2000: Entering the 21st century: the changing development landscape*. Oxford University Press: New York

World Commission on Environment and Development 1987. A chapter from "Our Common Future" reproduced under the title "Towards Sustainable Development", *Science Age*. August pp.30-38

World Commission on Culture and Development 1996. *Our Creative Diversity*. UNESCO: Paris

Unit 16

India

Contents

- 16.1 Introduction
- 16.2 The Path of Development
- 16.3 Stagnation of Indian Economy
- 16.4 Post-Independence Phase of Development
- 16.5 The Present Scenario: Liberalisation, Privatisation and Globalisation
- 16.6 ICT Revolution in India
- 16.7 Poverty Estimates and Poverty Eradication Measures During the Reform Period
- 16.8 Development and Social Sectors
- 16.9 Conclusion
- 16.10 Further Reading

Learning Objectives

The central objective of this unit is to explain:

- development approaches of pre and post independence India;
- aims and objectives of India's Five-Year Plans;
- Indias' development policies since 1990s; and
- Impact of ICTs development and the policies of liberalisation and privatisation in the social sector.

16.1 Introduction

Through the four Blocks of the Book I of this course on Sociology of Development we have familiarised the concept and growth and modernisation perspectives of development as well as the alternative approaches to the mainstream development perspectives. We saw how social and human factors became incorporated in the development discourse in the past few decades. The previous Blocks especially Blocks III and IV discussed the alternative development approaches that concentrate more on social and human aspects of development. As a continuation to this, Block V discusses the development experiences of some of the countries across the world. We begin with a discussion on the development experiences of India.

There is a tendency to look at countries as economies, and very often we view them as “developed”, “developing” or “underdeveloped”. The process of “economic development” refers to per capita income achieved in a particular year. But if we take into account the meaning of the word “development” as a whole, then it becomes evident that the over all development of all sections of population of the society are not less important than the economic growth. In other words, “development” should occur at both levels - economic and social. For instance, if we find that the per capita income has doubled in a particular country but the basic problems like poverty, unemployment or inequality remain more or less the same, then naturally the word “development” loses its real meaning. Therefore, economic development should be related to human development. When we talk of ‘development’ in relation to the social

sector, we are, in fact, discussing development keeping in view the aspects of human development of all sections of the population.

The present unit analyses the state of development retrospectively. It looks into the colonial, post colonial and current development policies of India. During the colonial period India witnessed a retarded or stagnated state of economic development. Things started to changing with the attainment of independence when India opted for a planned development. With the accelerated pace of globalisation and larger role of international organisations such as World Bank and IMF in the national polity, there had a major shift in policies towards liberalisation and privatisation of economy, which in turn left its implications in other avenues of society. All these aspects are dealt in detail in this unit.

16.2 The Path of Development

The path to be followed for the development of any society cannot be easily determined and it requires a great deal of planning before deciding on that. In independent India, planning derives its objectives from the Directive Principles of State Policy as outlined in the Indian Constitution. It says, “The State shall strive to promote the welfare of the people by securing and protecting, as effectively as it may, a social order in which justice — social, economic and political — shall inform all the institutions of national life”.

As is evident from the above, a lot of planning is required to accompany any kind of development. In fact, planning itself means, “securing a particular objective or a set of objectives”. In the context of development, the sphere of planning is economic as well as social. Though the Planning Commission was set up in 1950 to prepare the blueprint of development, India had started making preparations for it even before Independence when the governments were formed in various provinces in 1937 under Government of India Act, 1935.

Formation of the Planning Commission

During the freedom struggle a National Planning Committee was constituted by the Congress with Jawaharlal Nehru as Chairman, with 29 sub-committees to work on different areas. The Committee recommended to the State to play a vital role in the development of infrastructure and in the setting up of basic industries under its aegis, to promote the growth of cottage and village industries under protection, and to abolish all intermediary interests in land with a view to unleashing the forces of growth. It hoped to raise national income by two to three times in a span of 10 years with a view to providing a balanced diet having calorific value of 2400-2800 units to an adult worker, 30 yards of cloth per person and housing with at least 100 square feet per capita. Industrialisation with emphasis on promotion of heavy engineering and machine-making industries, electric power and scientific research institutes, accommodation of cottage and small-scale industries, the dominant role of the state and of public sector in industrial development, and national self-sufficiency to the extent possible were held out as the major planks of the policy.

In order to achieve these objectives, three plans were submitted in 1944 — the Bombay Plan, the People’s Plan and the Gandhian plan (See box 16.1). At the same time, a number of sectoral plans and plans for education and health were also prepared. In 1946, when the Interim Government was formed with Jawaharlal Nehru as its executive head, an Advisory Planning Board was constituted which recommended the formation of a National Planning Commission.

Box 16.1 : Bombay Plan, People’s Plan and Gandhian Plan

In the year 1938, National Planning Committee of the Indian National Congress, Jawarharlal Nehru as Chairman, had completed its work on a plan for the development of post independence India. Businessmen published their own plan, the so-called “Bombay Plan,” in 1944. The signatories include G.D. Birla, with wide interests in the textiles, jute and insurance; J.R.D. Tata, with interests in iron and steel and internal air lines; and Kasthuribai Lalbai, with interests in textiles and shipping. It provided the vision that guided Nehru in formulating the industrial and agrarian policy of India after independence. It carried a vision to develop India industrially and militarily to become a big power. It affirmed that practically every aspect of economic life would have to be rigorously controlled by the Government.

The Indian Federation of Labour under the leadership of M. N. Roy also put out its own plan, the “People’s Plan”, also in 1944. In which primacy was given to employment generation through improvement in agriculture and developments of small-scale industry. Mahatma Gandhi and his disciples had their own “Gandhian Plan.” All had eradication of poverty as their overarching objective. The Gandhian approach to development focused on the village level economy. Such an approach wanted agriculture to be the mainstay of the Indian economy and envisaged the creation of self-sufficient village units. Except the Gandhians, the others viewed state-promoted industrialization as the means for achieving the objective and central planning as essential for this purpose.

The Planning Commission was constituted on 15 March 1950 by a resolution of the Union Cabinet. The Commission was asked to prepare a blueprint of the First Five-Year Plan as a model of development. Since then, a number of Five-Year Plans have been launched, while keeping in mind the needs and resources of the country. Before highlighting the various strategies of the Five-Year Plans of development, let us analyse the situation at the time of independence.

Reflection and Action 16.1

“Development can be explained only in terms of per capita income”. Do you agree with this statement? If not, give reasons.

16.3 Stagnation of Indian Economy

At the time of independence, the Indian economy was in a very bad shape. It was going through a period of stagnation, characterised not only by poverty but also by one of the lowest level of per capita income growth, which was approximately 0.5 percent per annum, due to the long spell of colonialism.

The same feelings were echoed in the First Five-Year Plan document. This was primarily because the basic conditions under which an economy can continuously expand were lacking. The impact of modern industrialism in the latter half of the 19th century was felt in this country initially through imports of machine-made goods from abroad, which reacted adversely on the traditional pattern of economic life, this also did not create the impulse for development along new lines. The transition that followed was characterised not by expansion of industry and a diversification of the economic structure but by a decay of India’s traditional arts, crafts and industries and by an increasing pressure of population on land. This retrogression led to a decline in productivity per person engaged in agriculture. The result was a continuous increase in unemployment and under-employment and the growth of an attitude of “pathetic contentment” on the part of the people.

In such an environment there could be little economic or social progress. Whatever surpluses might have been available in the colonial era were directed to the purchase of imports, partly of better-finished products from abroad and partly of equipment for the new transportation system designed primarily in the interests of foreign commerce. The responsibility for promoting modern commerce and industry came to be concentrated in the hands of certain classes in the urban areas, and up to the end of the nineteenth century the only major large-scale industries which had taken root in the country were textiles. Little attention was paid to improvement of agriculture or to the needs of the rural areas (Kapila 2001: 25-26).

Reflection and Action 16.2

The Indian economy was going through a period of stagnation at the time of Independence. What were the conditions responsible for the poor performance of Indian economy?

16.4 Post-Independence Phase of Development

With the attainment of independence, India chose to follow the path of planning social and economic development, for which the Planning Commission was set up on 15 March 1950 under the chairmanship of Pundit Jawaharlal Nehru, the first Prime Minister of India. Since then, Prime Minister of India has been the *ex-officio* Chairman of the Planning Commission. Having gone through the background of the Indian economy, we can now analyse the main aims and objectives of the various Five-Year Plans of development.

a) **First Plan (1951-56)**

The First Five-Year Plan, in fact, paved the way for the planned economic development of the country. It had two main objectives. First, to bring the Indian economy out of the state of stagnation caused by the Second World War and partition of the country. Secondly to initiate the process of all-round balanced development of Indian economy, so as to ensure a steady improvement in the living standards of the people over a period of time.

The First Plan accorded the highest priority to agriculture, with special emphasis on rural reconstruction programmes and land reforms, including initiation of various irrigation and power projects. About 44.6 percent of the total outlay of Rs. 2,069/- crore was allotted for its development. The Plan projected, rather optimistically, that savings and investment as a proportion of national income would rise from an estimated 5 to 6 percent in the early 1950s to 20 percent by 1968-69 and stabilise at that level thereafter. Aggregate income was expected to double in approximately twenty years and per capita income in twenty-seven years (Ibid: 34).

b) **Second Plan (1956-61)**

In 1954, Parliament declared that the economic policy should have to achieve a socialistic pattern of society with greater equality in income and wealth in sight. The main aim of the Second Plan was, therefore, to promote a pattern of development, which could lead to the establishment of a socialistic pattern of society in India.

The Second Plan was aimed at:

- an increase of 25 percent in the national income;
- rapid industrialisation with particular emphasis on the development of basic and heavy industries;
- large expansion of employment opportunities; and
- reduction of inequalities in income and wealth and a more even distribution of economic power.

In the Second Plan, there was a special emphasis on industrialisation and it also aimed at increasing the national income by 11 percent per annum by 1960-61.

The development strategy of economic growth through modern industrialisation was continued into the Third Plan.

c) **Third Plan (1961-66)**

The immediate objectives of the Third Plan, which was aimed at self-sufficiency, were:

- to secure an increase in the national income of over five percent per annum and at the same time ensure a pattern of investment which could sustain this rate of growth during subsequent plan periods;
- to achieve self-sufficiency in food grains and increase agricultural production to meet the requirements of industry and exports;
- to expand basic industries like steel, chemicals, fuel and power and to establish machine-building capacity, so that the requirements of further industrialisation could be met within a period of ten years or so mainly from the country's own resources;
- to utilise fully the manpower resources of the country and ensure a substantial expansion in employment opportunities; and
- to establish progressively greater equality of opportunity and bring about reduction in disparities of income and wealth and a more even distribution of economic power (India 1989: 331).

Therefore, in this strategy of development, the public sector was expected to promote the growth of infrastructural facilities like basic and heavy industries and on the other hand, to reduce the concentration of economic power through the expansion of public ownership of means of production.

The first phase of development over the first three Five-Year Plan periods was characterised by fairly sustained growth in per capita income, with an 8 to 10 percent compound growth rate of industrial output, 3 to 3.5 percent compound growth rate in food-grains output and around 1.75 percent growth rate in per capita income (Kapila 2001: 35); thus indicating a steady improvement compared to the pre-independence past.

d) **Annual Plans (1966-69)**

During the fifties and sixties, there was a stable government, thus paving the right way of planning and development. However, the Indo-Pakistan conflict of 1965, two successive years of severe drought, devaluation of the currency, general rise in prices and erosion of resources available for Plan purposes delayed finalisation of the Fourth Plan. Therefore, instead of the Fourth Plan, three Annual Plans were formulated between 1966 and 1969.

e) **Fourth Plan (1969-74)**

The Fourth Plan emphasised on improving the condition of the less privileged and weaker sections of society through the provision of employment and education. It aimed at raising the standard of living of the people through various programmes to promote equality and social justice.

f) **Fifth Plan (1974-79)**

During this period, the economy was facing severe inflationary pressures. Though the major objectives of the plan were to achieve self-reliance and to adopt measures for raising the consumption standards of the people living below the poverty line, emphasis was also put on bringing inflation under control and to achieve stability in the economic situation.

Reflection and Action 16.3

Having gone through various Five Year Plans, can you pinpoint some of the main objectives as well as achievements and shortcomings of these Plans?

g) **Sixth Plan (1980-85)**

The Sixth Five-Year Plan was formulated after taking into account the achievements and shortcomings of the past three decades of planning. The main objective of the Plan was removal of poverty. Therefore, the strategy was adopted to strengthen the infrastructure for both agriculture and industry. There was also an emphasis on increasing opportunities for employment especially in the rural areas.

h) **Seventh Plan (1985-90)**

The main objective of the Seventh Plan was to provide employment opportunities and to raise productivity as well as the growth in foodgrains production, with an emphasis on reducing poverty and improving the quality of life in the poor villages and towns.

i) **Eighth (1992-97) and Ninth Plan (1997-2002)**

Though the Seventh Five-Year Plan went uninterrupted, there were unstable political developments such as assassination of former Prime Minister Shri. Rajiv Gandhi, etc. resulting in short-life governments, and economic crisis due to shortage of foreign exchange. The Eighth Five-Year Plan (1992-97) was, therefore, launched after return of normalcy in 1992, with its emphasis on generation of adequate employment to near full employment by the turn of the century and to achieve self-sufficiency.

The Eighth Plan was initiated against the backdrop of introduction of economic liberalisation, and structural adjustment programmes (to be discussed in the next section). This plan proved to be a turning point when the role of planning in development was questioned and analysed from various viewpoints. Therefore, the Ninth Plan was formulated viewing the role of the state and the private sector as complementary and both were considered essential. The Plan had accorded priority to agriculture and rural development with a view to accelerate the growth rate of the economy.

j) **Tenth Plan (2002-2007)**

Presently, the Tenth Five-Year Plan is in operation, with its emphasis on expansion of social and economic opportunities for all individuals and groups with reduction in disparities and an indicative target growth rate of 8.0 per annum.

As mentioned earlier, many changes in policies and programmes were introduced keeping in mind the needs and demands of the situation. These reforms, to be precise, can be summed up by the notions of “liberalisation, privatisation and globalisation”.

16.5 The Present Scenario: Liberalistion, Privatisation and Globalisation

India opened its economy in easy 1990s by adopting "New Economic Policy" (NEP) and structural Adjustment Programme. Although there had been attempts for liberalising Indian economy in 1980s, it was only from 1991-1992 that the government of India had been implementing in earnest a fairly comprehensive economic reforms programme under compulsion due to the balance of payment crisis (the details will be discussed in subsequent units as well), which forced the country to seek financial

assistance from International Monetary Fund (IMF). The then prevailing perception among the international financial bodies with regard to the payment crisis among nations was that it was due to the faulty macroeconomic policies that the country had been pursuing. They placed the growing inefficiency and non-competitiveness of the country's products was due to the subversion of the market forces, which resulted from excess of government controls and quantitative restrictions and the pre-dominant position assumed by the public sector in the economy. India too was following similar economic policies. The problems faced by the country were sought to be solved by macro economic and efficiency promoting policies. Towards this direction, in the year 1991, India adopted New Economic Policy, which promoted opening up of Indian economy through the process of liberalisation and privatisation (Bhalla, S. 2000). This in turn accelerated the process of globalisation of the country and led to a closer integration of Indian economy to the global market.

The New Economic Policy of 1991 included standard structural adjustment measures (you will learn more about this in unit 21) including the devaluation of the rupee, increase in interest rates, reduction in public investment and expenditure, privatisation along with priority accorded to profitability in running public enterprises reduction in public sector food and fertilizer subsidies, increase in imports and foreign investment in capital-intensive and high-tech activities, and abolition of the cash compensatory support for exports, a fairly rapid transition to a more or less market driven exchange rate system, encouragement of the inflow of foreign capital through opening up avenues for foreign institutional investment (FII) and considerable relaxation of controls on foreign direct investment (FDI), significant scaling down of net central bank credit to the government to meet its financing requirement and the large measure of autonomy granted to the RBI for maintaining the country's internal and external balance. There was also abandonment of import substitution policy and phased liberalisation of trade, the effects of which primarily was on the composition of domestic production and absorption. A more market friendly system was put in place after the initiation of reforms in 1991. Except for a few strategic industries the government license system for establishment and capacity expansion (license permitry) was abolished. International trade was liberalised to promote competition and efficiency by removing almost all the import quota, except on consumer goods, and reducing tariff rates to moderate levels. Foreign investment was promoted to modernise technology and take advantage of global division of labour (Parikh 1999).

Globalisation of Indian Economy:

The term "globalisation" in the context of the economy refers to:

- a) reduction of trade barriers with a view to allowing freer flow of goods to (and from) the country;
- b) free flow of foreign capital for investment;
- c) free flow of foreign capital technology; and
- d) free movement of labour and manpower.

Globalisation of the Indian economy refers to the integration of the Indian economy with the world economy by way of liberalisation and opening it up for private investment. These reforms have been introduced to improve and meet the challenges of the Indian economy.

Reflection and Action 16.4

Discuss the changes accorded with the adoption of New Economic policy to the Indian economic policy pursued since Independence.

Over the years starting from 1991 there has been a steady liberalisation of Indian economy. International trade has been liberalised and more and more sectors opened up for foreign direct investments and portfolio investments facilitating entry of foreign investors in telecom, roads, sea and airports, insurance and other major sectors.

In 1991, government of India introduced several liberalisation measures relating to trade in various stages. These include automatic approval of up to 51% of equity in high priority industries and trading companies engaged in exporting, 100% equity in export-oriented units subject to some conditions; and NRIs and overseas corporate bodies (OCBs) were allowed to invest up to 100% equity in high priority industries, etc.

In 1996-1997 there was further liberalisation by including 13 more sectors under the 51% equity automatic approval route, extending up to 50% equity participation in three new areas relating to mining, and enhancing the equity limit to 75% for automatic approval in nine priority areas and reconstitution of the Foreign Investment Promotion Board (FPIB) were announced.

In the next year, FDI in financial services was allowed through the FPIB route and fifteen non-banking financial services for FDI were identified. The automatic route for FDI approval in certain infrastructural activities was simplified.

Further liberalisation of FDI was announced in each subsequent year, including permitting up to 26% foreign equity participation in domestic insurance companies in 1999, and in 2000, placing of investment in all sectors except a small negative list under automatic route for FDI approvals.

Foreign portfolio investment was liberalised in 1995-96, permitting NRIs, OCBs and Foreign Institutional Investors (FIIs) to invest up to 24% equity in Indian companies. This limit was raised to 30% in 1998-99. FIIs were permitted to invest in the India Government's dated securities from March 1997 and in Treasury Bills from April 1998. A number of steps liberalising the access to Indian companies of foreign capital through Global Depository Receipts and American Depository Receipts were announced every year since 1995. External Commercial Borrowing rules and procedures were liberalised as well since 1995. Despite these liberalisation measures India could attract much less FDIs compared to China and other Southeast Asian economies such as Indonesia, Malaysia, and Thailand. India's limited success in long-term capital inflows, particularly FDI might be attributed to three factors. First, heavy regulations have not completely gone after liberalisation. Second, there is resistance to FDI by domestic industry in competing areas. Third, inadequacies in physical and legal infrastructure limit India's absorptive capacity, and hence its attractiveness to private foreign investors (Srinivasan 2003).

As a part of the liberalisation of industrial sector Industrial licensing, irrespective of the level of investment, was abolished in July 1991 for all except 18 industries. In 1998-99, 12 of these have been removed from licensing requirements. The number of industries reserved for development exclusively by the public sector has been reduced from 17 in 1991-92 to 3 by 2000-01. These two are two major reforms. The Monopolies and Restrictive Trade Practices (MRTP) Act of 1969 was amended in 1991-92, removing the threshold limits of assets in respect of application of MRTP and of dominant undertakings. The Competition Bill incorporating a modern competitive law was introduced in Parliament in 2001. On the abolition of reservation of products for production by small-scale industries (SSI), from 1997 until 2003, in all 163 products have been de-reserved (Ibid).

The main thrust of reforms in the financial sector was on the creation of efficient and stable financial institutions and markets. Reforms in respect of the banking as well as non-banking financial institutions focused on creating a deregulated environment and enabling free play of market forces while at the same time strengthening the prudential norms and the supervisory system. In the banking sector, the particular focus was on imparting operational flexibility and functional autonomy with a view to enhancing efficiency, productivity and profitability, imparting strength to the system and ensuring financial soundness. Reforms in financial markets focused on removal of structural bottlenecks, introduction of new players/instruments, free pricing of financial assets, relaxation of quantitative restrictions, improvement in trading, clearing and settlement practices, more transparency, etc.

Reflection and Action 16.5

What were the steps taken by the Indian government to liberalise Indian industry and financial sector. Examine the social implications of that.

As a part of privatisation of Public Sector Units (PSUs) disinvestment of equity was started in December 1991 and a Disinvestment Commission was set up during 1991-92 for identifying PSUs for equity disinvestment and for suggesting modalities of disinvestment. The pace of disinvestment was not so satisfying during the first decade of reforms with realised revenues from sale of public equity being modest (roughly 35% of the target of Rs. 78,300 crores were realised in the period 1991-92 to 2002-03 (India 2003). The successful privatisation of Bharat Aluminium Company Limited (BALCO), particularly its affirmation by the Supreme Court after it was challenged, changed the climate for privatisation for the better. Although a good number of PSUs had been disinvested either by the sale of equity or through strategic sale, the political disagreements in disinvesting high profile PSUs such as Indian Airlines, Air India etc suggest that the political economy considerations are still unfavourable to large scale disinvestment in our country.

Privatisation in infrastructure sector began with the amendment of relevant legislation to permit private enterprises to enter power generation in October 1991. But not much headway was created in this sector even after a decade and a half. Where as reforms have been much successful in telecommunications sector. Value added services were opened to private sector in 1992, followed by the enunciation of the National Telecom Policy in 1994-95 which opened up basic telecom services to competition. Foreign equity participation up to 49% was permitted in case of a joint venture between an Indian and a foreign firm. The Telecom Regulatory Authority of India (TRAI) was established in 1997. In order to separate the service-providing function of publicly owned telecom enterprises and policy-making function, both of which were initially with the Department of Telecommunications, a separate Department of Telecom Services was set up in 1999-2000. The two public sector service providers were corporatised in 2000-01. International long-distance business, which was a public sector monopoly, was opened to unrestricted entry in 2002-03. The Universal Service Support Policy came into effect in April 1, 2002, under which an universal service levy (USL) at 5% of adjusted gross revenue of all telecom carriers (except pure value added service providers) has been fixed. The Universal Service Fund, financed by the levy, will subsidize access to public and community phones in villages as well as individual household phones in net high cost rural/remote areas. The two basic goals of reforms are: delivering low-cost voice telephony to the largest possible number of individuals, and delivering low-cost high-speed computer networking to the largest number of firms (Srinivasan 2003).

Roads sector is another field of infrastructure reforms. A key reform was the creation of a major new source of funding for national, state and rural road

construction, called the Central Road Fund (CRF) under the Central Road Fund Act of 2000. The National Highway Development Project financed by the CRF is one of the largest single highway projects in the world. It includes the nearly 6,000 km of Golden Quadrilateral (GQ) connecting the four metropolitan cities of Chennai, Delhi, Kolkata and Mumbai and 7,300 km of North-South and East-West Corridor. Indian Railways (IR) have undertaken several reforms to improve their functioning. The government has approved restructuring of four metro airports (Chennai, Delhi, Kolkata and Mumbai) to make them world class and approval in principle has been granted for setting up new international airports in Bangalore, Hyderabad and Goa with private sector participation (India 2003).

Reflection and Action 16.6

Have you read in newspapers the political debates related to the disinvestments in telecom sector? In your opinion what are the positive and negative impacts of privatization of telecom sector.

Impact of Reforms in Economic and Soical Sectors

It is a decade and a half that India adopted new economic policy and fall into the path of liberalisation of economy. A drastic policy shift from that of mixed economy – the policy followed till 1990, will definitely show its impact both in the economic and social fronts. Let us take a stock of these impacts here. It needs to be stressed here that all these macroeconomic indiactors cannot be attributed to reform programmes only.

If we look at the positive impact in the exonomic front, we can see that after a dip in the GDP growth rate along with a sharp absolute decline in aggregate investment during 1991-92, there was a spurt in GDP growth from 1992-93 onwards. In the first half of the financial year 2005-06 the economy grew by 8.1% compared to 7.1% of the corresponding period in the previous year. Indeed not only were growth rates of GDP, per capita income and capital accumulation higher in 1992-2001 than the corresponding averages in the 70s and the 80s. There was also a considerable fall in the poverty ratio, from 36.0 percent to 26.1 percent, between 1993-94 and 1999-2000 (India 2003).

The performance of economy was quite remarkable in the external sector. There was considerable improvements in balance of payments, increase in the foreign exchange reserves, a sharp decline in the short term debt as percentage of forex reserve etc. the economy also become much more open since economic reforms and there was a rise in the country's share of exports in world trade from below 0.5% to nearly 0.6% in over a period of one decade.

Following are some of the major accomplishments of the financial reforms:

- domestic deregulation of industry, dismantling the system of industrial licensing and production controls, which enhanced the domestic competition
- liberalisation of trade and significant drop in tariff rates
- liberalisation of financial sector

Along with these positive growth tendencies there also had been some negative trends. After managing a rapid recovery, India economy lost its growth momentum within a few years of inception of economic reforms. The average GDP and per capita income growth during 1997-2001 was significantly lower than the in 1992-1997. The second and no less disturbing development during the 1990s was the extremely low growth of overall employment, belying the expectation that the reforms programme, through stimulation of labour intensive activities, would help harnessing in the growth process the country's huge untapped human resources. As the latest Economic Survey reveals, between the periods1983-94 and 1994-2000 the average annual growth rate of total employment recorded a steep fall from 2.04% to 0.98%.

Financial sector reforms have been much more comprehensive than reforms in other areas. However this sector also has displayed quite a few negative developments. The most important of these are: a) decline in bank credit to the commercial sector and increasing bank holding of SLR securities far in excess of the stipulated minimum; and b) failure of the capital market, especially during 1995-2000, to provide finance for domestic capital formation. Another impact of the opening up of Indian economy was that it was being subjected to external (financial) shocks to a greater extent than in 1980s or before (Rakshit 1998).

In the social sector too globalisation features both negative and positive tendencies. Unemployment due to replacement of the traditional technology by modern technology has made its negative impact, whereas availability of new opportunities in the employment market has made its positive impact. Study by SEWA Academy on *The impact of globalisation on informal sector* (www.sewa.org) shows that globalisation of Indian economy has both positive and negative affects on the sector. For example, introduction of machinery in construction sector has resulted a decrease in labour demand at urban areas whereas increase in rural areas. As rural areas are also going for houses made of cement and bricks rather than mud. On the other hand, increased demand of embroidered work in global market has increased the work in embroidery workers. On the other hand, garment workers have undergone through the positive as well as negative affect of globalisation. Increased in demand of garments has increased the work in garment sector but continuous change in fashion world has demanded a continuous upgrading of work quality, which found to be difficult with workers in informal sector. Even, the small and marginal farmers have gained from the globalisation as they are able to cultivate their land thrice in a year with the advancement of technology but excessive use of fertilizers and pesticides has decreased the overall profit of the farmers.

Reflection and Action 16.7

Examine the liberalisation of trade in the labour standards in India. Take cues from newspaper reports etc.

Due to liberalisation and globalisation advanced technologies, instruments and medicines in the field of medical science are available even in our country. Thus, with the help of telemedicine, today specialised doctors of USA and Germany can assist the ongoing operations in India. Also, India is now producing advanced equipments required for operation; this has effectively reduced the cost price of items needed during operation. After the Government of India lifted price control over drugs, tough competition has been found among the drug manufacturers. As a result, the cost of some drugs has reduced.

Despite these positive aspects, there are some negative aspects of globalisation in the health sector. For example, some essential and life-saving drugs have become expensive due to the removal of price control and also many more irrational drugs are available in the market than before. Other than this, today new high order antibiotics are prescribed for minor conditions, like cold and cough. This has in turn resulted in drug resistance.

16.6 ICT Revolution in India

The new millennium ushered a world of greater interconnectivity with greater flow of data and information and shrinking time and national boundaries. The force behind this rapid transformation is revolutionary changes in Information and Communication Technologies (ICTs).

The digital economy of India at the begining of 21st century was marked by an explosion in the cellular phone market, a boom in outsourcing, steady Internet growth, media convergence, growth in rural ICT initiatives. In India, ICT

**Development, Displacement
and Social Movements**

revenues rose from \$150 million in 1990 to \$4 billion in 1999. The global outsourcing market is worth more than \$100 billion, with over 185 Fortune 500 companies outsourcing software requirements to India. India currently has 1,250 companies exporting ICT software (*Human Development Report 2001*).

Government of India is also taking special initiatives to encourage ICT revolution to its land and people. In the ICT industry, the recent cuts in excise duty on computer hardware and cellular phones are expected to drive domestic demand for hardware in 2004 – 2005. A number of high-profile events have focused on the importance of bringing the fruits of the ICT revolution to a wider user base, especially in rural areas, where most of India's population lives.

The IT Ministry of India has started a revolution in ICTs through languages. India is a country of 22 official languages and only 5% of Indian population can read and understand English. Even if India witnesses a considerable telecom penetration, ICTs will be still less useful because of its availability in English. To quickly make available to end-user there shall be software in all official Indian languages. The Hindi software was released in 2005. The government is in an attempt to make available computer software in all other Indian languages.

ICTs can be used effectively for poverty alleviation. It can improve the access of the poor to health, microcredit, government services and to create direct employment opportunities, provide training and education to people, and support the poor in the production, storage and marketing of farm and non-farm products. ICTs can also facilitate the generation and exchange of community-based information and stimulate the establishment of small and medium-sized enterprises. It can break barriers to knowledge by providing demand-driven information and services to the rural poor. There are many pro-poor ICT initiatives in India aimed primarily at improving the availability of market and other information for livelihood improvement. For example Information Village Research Project run by the Centre for Research in Sustainable Agriculture and Rural Development of the M.S. Swaminathan Research Foundation in Chennai, Tamil Nadu (www.mssrf.org). It provides through a telecentre the facility for public access to telecommunications and information services like health, education, market data, technology and livelihood to a disadvantaged community. The Foundation's telecentres provide rural farmers with data on agricultural practices, the cost and availability of farm inputs (pesticides, fertilizers and seeds), health and life insurance, welfare opportunities and other useful information. E-commerce has also found a niche in some rural areas in India. Electronic commerce, or e-commerce, involves the sale or purchase of goods or services over computer-mediated networks, particularly the Internet. Such goods and services may be ordered from anywhere in the globe. For example, one village in Tamil Nadu, which excels in making traditional cotton saris and other garments, sells its products to buyers all over the world through a web site operated by a US based NGO called PEOPLink (www.peoplink.org). Telecentre services in Pondicherry have encouraged villagers to utilise their considerable knowledge of local herbs for the establishment of a herb-processing centre. Using the services of the telecentre, the villagers have learned how to package and market the herbs.

The new information and communication technologies are widely used for promoting education and higher learning in India. The Internet currently hosts thousands of distance-learning and training programmes on virtually any conceivable subject. IGNOU, for example offers many academic programmes through Internet. Also it has widely integrated new ICTs into its day to day functioning, such as admission procedures, publication of results, library facilities etc.

Box 16.2: The Gyandoot project in India: a breakthrough in e-government

The Gyandoot project has been recognised as a breakthrough in e-government, winning the Stockholm Challenge IT Award 2000 in the area of public service and democracy. The project gives marginalised tribal people in central India their first-ever chance to access knowledge electronically. Dhar district in Madhya Pradesh State has a population of approximately 1.7 million people, most of whom are poor and marginalised. About 60 per cent of the people live below the poverty line and most are illiterate. They depend on small farm production and are often subject to exploitation by middlemen, local moneylenders and corrupt officials. The Gyandoot project installed a computer network connecting 31 village centres and made use of ICT to provide various online services, including (a) land revenue-related transactions, (b) public grievance redressal, (c) village auction, (d) a matrimonial site, (e) government services and entitlements, (f) expert consultation, (g) a free e-mail facility on social issues, (h) employment news and (i) a village newspaper. The benefits of the project reached over a half million people. The improved citizen-government interface has enabled interaction and dialogue, the formation of new alliances, the development of interpersonal networks and the establishment of cross-sectoral links. Greater access and control over information have empowered the community and resulted in better governance.

Source: <http://www.challenge.stockholm.se/projects.asp>

India still has a long way to go in making ICTs widely available to its population. A digital divide in terms of accessibility of latest technologies to vast majority of Indian population widely persist even today. The digital divide is persistent in terms of the geographical location, educational attainment, income divide, skill attainment etc. To large extent ICT penetration in India has occurred in urban areas only. The rural India where more than 90% of Indian population lives is largely excluded from these developments. There are also various other social factors such as caste, religion, and class etc. still rules the Indian social structure which facilitates the existence of inequalities in the society and this in turn reflects in the ICTs induced development as well.

16.7 Poverty Estimates and Poverty Eradication Measures During the Reform Period

Poverty in India is a predominantly rural phenomenon. More than three quarters of poor people in India live in rural areas. Also there is wide variation in poverty across different states. Moreover progress in reducing poverty is also very uneven across different regions. Based on the data collected by Economic Survey, Dev and Ranade (1999) makes a comparison of poverty situation in pre- and post-reform period. According to them

- Rural and urban poverty increased during the first two years of the reform period.
- The phenomenon of faster decline of rural poverty in the 1980s have been halted in the post 1991 period.
- There has been a decline in the absolute number of poor in in the 1980s. In contrast, post-1991 period showed an increase in the absolute number of poor.
- Urban poverty declined much faster than rural poverty in the post-reform period.

They reach the conclusion that the impact of economic reforms on the poor in India has been better than in some Latin American countries, but worse than in some of the East Asian countries (Dev and Ranade1999).

Table 16.1 Poverty rates in India since 1973

Year	All India,%	Rural , %	Urban, %
1973	54.9	56.4	49.0
1978	51.3	53.1	45.2
1983	44.5	45.7	40,8
1988	38.9	39.1	38.2
1994	36.0	37.3	32.4
1999	26.1	27.1	23.6

Source: Economic Survey 2000-2001

Government of India adopted several poverty alleviation programme to help the poor to improve their economic, physical and social conditions. These programmes are directly targeted at the poor and the benefits from them would accrue to the poor from the normal economic activities. The programmes, which aimed at directly helping the poor instead of the entire population, are termed as targeted poverty alleviation programme. The rationale for targeting the poor for development programmes is that the benefits or social returns are higher for the population at the lower end of the income distribution than at the upper end.

The existing major programmes for the poor in India can be roughly catagorised into three. i) wage employment programme ii) credit-based self employment programme iii) the public distribution system and the nutrition programme.

Economic reforms and impact on poverty eradication:

One of the impact of opening up of the economy has seen the resurgence of the importance of large metropolitan cities. Private investment, both foreign and Indian have tend to be concentrated in and around these large cities (Shaw 1999). The local governments for attracting these investments offered a range of incentives to private investors. The large metropolitan cities are undergoing a facelift exercise as part of the city cleaning, beautification and pollution control programmes. While the city spaces are being increasingly acquired by the private commercial and service industry establishments the poorest, mainly the slum dwellers, hawkers, destitutes, street dwellers are being pushed out of the city to the peripheries (Kundu 1997). The city peripheries are getting degenerated with low value employment, poor living condition, thus making lot of the urban poor worse.

Opening-up in the developing economies was primarily visualised as a mechanism where trade would function as ‘an engine of growth’ and the fruits of growth would ‘trickle down’ to the poor. However, the results had been mixed, with many countries observing widening inequality in their economies, contrary to the conventional trade theory prescriptions (Bardhan 2001).

The internationalisation of trade has opened up vistas for globalisation of production creating profound changes in the labour market, such as widening wage disparity, increasing contractualisation of work, skill based segregation of work etc. As per the 1991 census 90% of the Indian workforce is in the unorganised sector. There is hardly any legal backing, social spending, or any form of support to this class of workers who are the poorest among all groups of workers. They do not have any collective bargaining capacity with an institutional backing. For the vast majority of them there is no fixed place of work, no fixed working hours, no regular wages, no job security. Thus they have become one of the most vulnerable to poverty. Globalisation is argued to be ‘informalising’ and ‘casualising’ the employment opportunities in the economy thus further expanding the unorganised form of employment. It is seen that the economic reforms only vitiated this sector.

Reflection and Action 16.8

Do you think that the economic reforms in India for the last one and a half century facilitated the eradication of poverty in our society? Give valid reasons to justify your answer.

The social sector spending as a proportion to GDP had been stagnant in the 1990s and there had been a definite shift away from rural development (Dev and Mooij, 2002). The share of health expenditure had been stagnant and that on education had been declining. The government is further trying to reduce the size of current expenditure by shrinking the accounts on pensions, subsidies etc. The reduction in the social sector expenditure (for more details refer unit 21) had a negative impact on the poverty eradication programmes.

Though poverty has declined at the macro level, with a significant decline in the proportion of people living below the poverty line from 51.3 percent in 1977-78 to 28.1 percent in 1999-2000, there are wide rural-urban and inter-state disparities in the improvement pattern. In 1999-2000 Bihar and Orissa continued to be the two poorest States. In 1999-2000, twenty States and union territories had poverty ratios below the national average.

The Tenth Plan (2002-2007) has set a target of reduction in poverty ratio by five percentage points to 19.3 percent by 2007 and by 15 percentage points by 2012. The targets for rural and urban poverty in 2007 are 21.1 percent and 15.1 percent respectively. Closely related to poverty is the issue of unemployment. There are large inter-state differentials in unemployment. During the period 1993-94 to 1999-2000, growth in employment was the highest in Haryana (2.43 percent) followed by Gujarat (2.31 percent), while Kerala recorded the least growth of only .07 percent.

16.8 Development and Social Sectors

When it comes to education, India shows a rise from 18.3 percent in 1951, to 64.8 percent in 2001 but even then it continues to lag being several other developing countries in the region, as shown in Table 16.3.

The National Policy on Education (1986) provides a broad policy framework for eradication of illiteracy and in order to fulfill the goal of universal elementary education, the Constitution (86th Amendment) Act, 2002, has been passed by Parliament. A comprehensive program called Sarva Shiksha Abhiyan (SSA), launched in November 2000, aims to improve the performance of the school system through a community owned approach and to impart quality elementary education to all children in the age group of 6-14 by 2010.

Table 16.2: Literacy rates in India (1951-2001)

Census Year	Persons	Males	Females	Male-Female gap in literacy Rate
1951	18.33	2.16	8.86	18.30
1961	28.30	40.40	15.35	25.05
1971	34.45	45.96	21.97	23.98
1981	43.57	56.38	29.76	26.62
1991	52.21	64.13	39.29	24.84
2001	64.84	75.85	54.16	21.69

Source: Census of India
(A.R. Khan, 2003: 85)

Table 16.3: India’s global position on adult and youth literacy rates

Country	Adult Literacy Rate (percent 15 years & above)		Youth Literacy Rate (percent 15-24 years & above)	
	1990	2001	1990	2001
China	78.3	85.8	95.3	97.9
India	49.3	58.0	64.3	73.3
Nepal	30.4	42.9	46.6	61.6
Pakistan	35.4	44.0	47.4	57.8
Sri Lanka	88.7	91.9	95.1	96.9
Bangladesh	34.2	40.6	42.0	49.1

Source: UNDP 2003

The National Program for Education of Girls at Elementary Level (NPEGEL) has been launched in 2003-04 for providing additional components for education of girls at elementary level under SSA. The number of primary schools increased from 6.39 lakh in 2000-01 to 6.64 lakh in 2001-02. The National Literacy Mission was launched on May 5, 1988, as a Technology Mission to impart functional literacy to non-literates in the country in the age group of 15-35 years in a time-bound manner. The National Education Policy, 1986, as modified in 1992, also has recognised the National Literacy Mission as one of the three instruments to eradicate illiteracy from the country, the other two being universalisation of Elementary Education and Non-formal Education.

Population and Family Welfare

The population of India, according to the population census of India, 2001, was 1,027 million, with 531 million males and 496 million females. Presently, India is going through the phase of “high birth rate-low death rate”. While the crude birth rate, over the last two decades, declined from 33.9 per thousand persons in 1981 to 25 per thousand persons in 2002, the crude death rate also declined from 12.5 per thousand persons in 1981 to 8.1 per thousand persons in 2002.

Providing good health condition (National Health Policy, 2002), safe drinking water and low cost sanitation, are some of the aims of the policies and programmes of the Government. Another issue, which is central to the welfare of the family, is development of women and children. Though women constitute about 48 percent of the total population of the country, they suffer many disadvantages as compared to men. Various schemes have been introduced under the “National Policy for Empowerment of Women”, 2001, to ensure the right place to women in society. The Integrated Child Development Services (ICDS) scheme was first launched in 33 selected blocks in 1975 to promote the overall development of the young children (0-6 years). At the same time, a number of schemes have been introduced to improve the lot of socially disadvantaged groups — the Scheduled Castes (SCs), the other Backward Classes (OBCs) and the Minorities.

Reflection and Action 16.5

What are the different areas of human and social sector where the mode of development should focus on?

16.9 Conclusion

Compared to the state of economic stagnation in the decades before independence India has come a long way ahead in terms of economic, social and human progress. In the first half of the unit we have seen the development

approach that India followed since independence till early 1990s, which was a turning point for India economy. India decided to go in the path of globalisation, liberalisation and privatisation with the adoption of New Economic Policy in 1991. The second half of the unit deals with the shifts that have taken place in the trade, finance and industrial sector since 1991. Also an evaluation of the reforms in various economic and social sectors. Such an assessment leads to the conclusion that economic progress is not the only priority of the economic policies of India, but human and social development also are equally important. India has to achieve a lot more in relation to economic, human and social progress of her people.

16.10 Further Reading

Khan, A.R. 2003. *Economic Survey* (2003-04). V.P.G. Books Delhi

Kapila, Uma (ed.) 2001. *Indian Economy Since Independence*. Academic Foundation: New Delhi

Rakshit Mihir (ed.) 1998. *Studies in Macroeconomics in Developing Countries* OUP: New Delhi



Unit 30

Civil Society Movements and Grassroots Initiatives

Contents

- 30.1 Introduction
- 30.2 Civil Society: Meanings and Dimensions
- 30.3 Civil Society as Social Movements
- 30.4 Non-Governmental Organisations as Civil Society Actors
- 30.5 Relationship Between NGOs and the Government
- 30.6 Marginalisation and the Marginalised People
- 30.7 Civil Society and Empowerment of the Marginalised
- 30.8 Civil Society Movements: A Critique
- 30.9 Conclusion
- 30.10 Further Reading

Learning Objectives

This Unit will help you examine critically:

- meanings and dimensions of civil society;
- civil society as social movements;
- non-governmental organisations (NGOs) as civil society actors;
- relationship between NGOs and the government organisations; and
- role of civil society for empowerment of marginalised.

30.1 Introduction

In Unit 1 of Book 1 of this course we have briefly talked about the emerging role of civil society in contemporary development practices. In this unit we shall be discussing in detail the meanings and dimensions of civil society; its changing role and status in developmental processes. Civil society itself has emerged as a social movement in recent years, while it has always been part of larger social movements in society. The interface between the civil society and social movement has been a subject matter of curiosity to sociologists. We shall discuss this facet of civil society in this unit. Along with the state and the people, civil society has emerged as a partner of development.

The World Development Summit 1995 emphasised the role of civil society in the empowerment of the marginalised. Here, besides discussing civil society as a social movement, this unit also analyses the role of civil society in the empowerment of the marginalised people in society. While we are discussing marginalised people, it is imperative to discuss the process of marginalisation. A small discussion on the marginalisation and empowerment of the marginalised people is also part of this unit. This unit will also provide you a critical overview of civil society's role in development.

30.2 Civil Society: Meanings and Dimensions

The term civil society is derived from the Latin word *civilis societas* which means associations or communities that work above and beyond the state. Civil society thus consists of a host of institutions that look after the activities,

which are not taken up by the state. These may relate to various religious, cultural, economic and other activities of society.

The medieval church of Europe, Hindu *Maths*, Sikh *Gurdwaras*, Muslim *Mosques*, and other religious trusts in India, caste and kinship associations, business, sports, cultural associations, etc., represent the civil society.

It is important that civil society is also referred to for its moral value and authority; as the state is more akin to an administrative unit. Civil society, in opposition to the state, lays the moral foundation of society (NSI 1996). It is in this sense that civil society has widely been viewed as an epitome not only of moral authority but also as a bastion of culture against the state, the law and capitalism. However the dimension of opposition in civil society has been in a state of flux as its relationship with the state, the market and capitalism has not always been the same everywhere and every time. However, today we tend to see civil society as the home of culture, of freedom, of independence (all good things), which enables us to rein in the state (which can do us harm if permitted) (Ibid 1996).

Importantly, Civil society has long been playing a pivotal role in influencing the state's policy on social welfare, articulating views on current issues, serving as the voice of constructive debate, providing a forum for the exchange of new ideas and information, initiating social movements by way of creating new norms, identities, institutions (Cohen and Arato 1994). Civil society is, together with the state and the market, one of the three *spheres* that interface in the making of democratic societies.

Civil society is the sphere in which social movements become organised. The organisation of civil society, which represents many diverse and sometimes contradictory social interests, is shaped to fit the social base, constituency, thematic orientations (e.g. environment, gender, human rights) and types of activity. They include church related groups, trade unions, cooperatives, service organisation, community groups and youth organisations as well as academic institutions (UNDP 1993:1). Civic involvement has always been an inseparable part of the development process of human society. In Putnam's argument, higher levels of civil involvement gives rise to "social capital" which in turn makes possible more civic involvement (Putnam 1993).

In Gramscian (1998) sense, civil society is the terrain where the state, the people and the market interact and where people wage war against the hegemony of the market and the state. The status of civil society organisations has been widely explained in terms of their relationship with the state and the market. In Tocqueville's view, civil society represents a vision of politics and democracy that is non-state centered and that has taken root in contemporary social movements and non-governmental organisations (NGOs) (Smith 2001). However to the liberals and the neo-liberals, civil society is organised around the market economy (Taylor 1990) as a non-political privatised delivery system for services such as welfare, education, healthcare, clean water and so on. In recent years there has been a phenomenal proliferation of the civil societies all over the globe. Social scientists have attributed this phenomenon to the crises in the states on the one hand and the market triumph on the other. At times the state is beset with a legitimisation deficit that destroys the conditions of its own stability, paving the way for the civil society (Chandhoke 1995).

Notwithstanding such a debate on the pro or anti State stand of civil societies or that of State failure of legitimisation crises, civil societies have been viewed as a force for democratisation, counterweights to the state and economic power and have emerged as alternative vehicles of citizens' participation at both the national and transnational levels of governance. Their activism and

initiatives have also been viewed as a movement for transformation of regional, national and global politics and economics (Edwards 2000). Many scholars, however, see the civil society beyond the state and market syndrome, as the state and the market contribute something, but not everything towards the cohesion and the dynamics of the society (Beteille 2000).

Indeed there is a need to view the civil society both as a structure (of organisation, social and political space and relationship) and also as a process (the ways in which the elements of structure come into being, and interrelate)(Blaney and Pasha 1992). In the wake of globalisation, introduction of the structural adjustment programme and paradigm shift in the social development strategy there has been an attempt to redefine the role of the state and the civil society. In the emerging scenario the emphasis has been a) on the increasing roles of the civil societies “ to take the burden off the state, by involving citizens and communities in the delivery of the collective goods” (World Bank 1997:3), and b) on “strengthening of the abilities and opportunities of civil society and local communities” to ensure the process of empowerment of the marginalised in society (UN 1995). However, in the contemporary development discourse, there has been a process of involvement of civil society organisations along with the state in the formulation and implementation of development initiatives. What have been the relationships of the civil society with the people on the one hand and the state on the other? We shall discuss this issue in the following sections of this unit. Let us begin with the relationship of civil society with social movements.

Reflections and Actions 30.1

What do you mean by civil society? Can a civil society be described independent of the existence of the state?

30.3 Civil Society as Social Movements

In the last block of MSO-004 we shall be discussing in detail various aspects of social movements and their transformation. In this section let us know very briefly what we mean by social movements and what are the relationships between social movements and civil society, initiatives or activism. Conventionally, social movements have broadly been perceived as organised efforts to bring about changes in the thought, beliefs, values, attitudes, relationships and major institutions in society, or to resist changes in any of the above structural elements of society (H. Blumer 1976; H. Toch 1956; Habermas 1972; J.R. Gusfield 1972, J. Wilson 1972). Social movements are viewed as intended and organised collective actions based on certain defined aims, methodology for collective mobilisation, distinctive ideology, identified leadership and organisation. However, since the late 1960s, especially in the wake of the proliferation of new forms of collective protest, resistance and mobilisation, like the students, environmental, Black civil rights, women’s, etc., movements in the United States and Western Europe, efforts have been made to identify new elements in social movements. It has been widely recognised that social movements help to generate a sense of collective identity and new ideas that recognise the reality itself. And redefine modes of collective existence and Melucci (1996) has emphasised on collective identity formation. To him, social movements grow around relationships of new social identity that are voluntarily conceived “to empower” members in defense of this identity (Melucci 1996). Eyerman and Jamison (1991) highlight that:

by articulating consciousness, the social movement provides public spaces for generating new thoughts, activating new actors, generating new ideas. Thus by producing new knowledge, by reflecting on their own cognitive identity, by saying what they stand for, by challenging

the dominant assumptions of the social order, social movements develop new ideas that are fundamental to the process of human creativity. Thus social movements develop worldviews that restructure cognition, that recognise reality itself. The cognitive praxis of social movements is an important source of new social images and transformation of societal identities (Eyerman and Jamison 1991: 161-66).

Social movements are framed based on a collective identity of various groups, namely, women, environmentalists, students, peasants, workers, etc., who are organised on the basis of common identity and interests. To Allan Scott (1990), in a social movement the actor's collective identity is linked to his or her understanding of their social situation. To him "a social movement is a collective actor constituted by individuals who understand themselves to have a common interest, and at least some significant part of their social existence, a common identity" (Allan Scott 1990: 6).

However, participation in social movements may not always be for the quest of an identity; rather, it may be for the gratification of political and material interests. Tilly (1978), McAdam (1982), Tarrow (1994) and many others are of the view that social movements manifest in response to the increase in the potential political opportunities and growing receptivity of the state to the activities of the challenging groups. In general, these scholars emphasise the various resources involved in the manifestation and operationalisation of social movements. This approach, known as resource mobilisation, assumes that collective actions are related to the specific opportunity structures. Here importance is given on the rationality of human action, whereby the participants in the social movement calculate the costs and benefits of their participatory action in collective mobilisation. In this approach social movements are seen either as the creation of entrepreneurs skillful in the manipulation or mobilisation of social resources or the playing out of the social tensions and conflicts. Thus the motivation of the actors is seen as rational economic action. The resource mobilisation theory, indeed, aims to interpret those sets of social movements that are the visible parts of the American social reality in management terms. It is linked to the policy problem of containment (Tilly 1978: 47).

Civil Society and Social Movement: The Interface

In the context of globalisation or otherwise there have been claims of universality of civil societies. It is argued at one point that specific economic, social and political conditions influence the growth and functioning of the civil societies and thereby it can't be universal. On the other hand, there has been the argument that as there have been universal processes like modernisation, secularisation, democratisation, globalisations and so on, the claim of universality of civil society has emerged to be a reality. In view of the emergence of global social movements viz. human right, animal right, ecological and environmental etc. global civil society has been a reality. Phenomenal expansion of Information and Communication Technologies (ICTs) has smothered the global emergence and networking of civil societies as a social movement. In this backdrop, let us examine the interface between civil society and social movements. There are important parallels between social movements and civil society initiatives. It is rather at times pointed out that civil society initiative is a variant of social movements. Here, before we go into identifying this variant(s), we should know the parallels.

- Both social movements and civil societies are having structures like organisations, a well-identified leadership and ideology.
- Civil society initiatives and social movements are social processes, which undergo several stages of progression from mobilisation to intensive collective action.
- Both structures and the processes have support bases or bodies of followers who are mobilised through diverse means to get their objectives fulfilled.

**Development, Displacement
and Social Movements**

- In general both social movements and civil societies pledge for change in established order of the society. However, many civil societies or social movements also well work to resist change in society. For example, many religious organisations pledge for the fundamentalist position in society.
- Both civil society and the social movement occupy a civil space in society.
- The creation of a new collective identity is an essential part both of social movements and civil societies. Collective identities are evolved either based on certain issues or ideological choices. However, identities also get reconstructed or transformed through the processes of sustained mobilisation.
- Though a good deal of moral authority and idealism are attached to civil society activism and to social movements, at times both these processes are initiated by enterprising people for the maximisation of specific interests. Here both processes are amenable to caption by the state.

However, notwithstanding these parallels, social movements are broader categories or agencies. At times social movements look for a radical change by attacking the pre-existing power structure of society, e.g., the Naxalite movement. Civil society, on the other hand, looks for gradual change within the existing arrangement. Though civil society initiatives tend to be apolitical, many a time they ask political questions and political solutions through developmental activities. Indeed in the contemporary development discourse of development with empowerment, civil society division is very much involved in the political issues at the grassroots.

Reflection and Action 30.2

Analyse the characteristic features of social movements. What are the linkages between social movements and civil societies?

**30.4 Non-Governmental Organisations as Civil Society
Actors**

It has been pointed out in the first section of this unit that there are several manifestations of civil society. So far as the developmental activities are concerned, Non-Government Organisations (NGOs) have emerged as important civil society actors at the grassroots. Let us examine some of its features.

The non-governmental organisation or the private voluntary organisations are basically non-profit making bodies whose primary aim is to contribute to the reduction of human sufferings and the development of the poor and the marginalised groups. They are an integral part of both the national and global civil society as they include both local communities, cooperatives, church groups, trade unions, environment groups and consumer associations, women's groups, peasant leagues, as well as international organisations like Amnesty International, Oxfam, Friends of the Earth, etc. These organisations are best known for their relief, educational, lobbying, human rights, health, employment generation, and poverty reduction activities. They are growing at a very fast rate in the developing parts of the world due to the increasing disillusionment especially of the poor with the government. The market has also failed to serve the interests of these vulnerable sections of the population. As a result many hopes have been placed on the NGOs, also known as the "third sector".

NGOs are conceptualised as non-profit and non-governmental organisations. Anheier and Salaman (1999) highlight some of the common characteristics of NGOs. According to them NGOs are:

- organisations, i.e., they have an institutional presence and structure;
- private, i.e., they are institutionally separate from the state;
- non-profit distributing, i.e., they do not return profits to their managers or to a set of owners;
- self-governing, i.e., they are fundamentally in control of their own affair; and
- voluntary, i.e., membership in them is not legally required and they attract some level of voluntary contribution of time or money”.

It is significant that the element of private is to be understood in a very limited sense. It means that NGOs are neither part of the government apparatus and public administration nor are they dominated by public officials (Anheier and Salaman cf. Symthe and Smith 2003). Nor are they a private enterprise to earn profit. Indeed they have the social objective of providing selfless service to the millions, especially in those areas of activity where the state has either not been able to reach out, or has not been effective in providing service as per the local requirement and has withdrawn. At times the state has looked for collaborative arrangement with the NGOs to provide much needed service to the people, especially to the marginalised section of society.

Paul Streeten (1998), after examining the functioning of the NGOs in the developing societies, claims that NGOs have certain advantages in promoting development at the grassroots. This is mostly because of the fact that

- NGOs are good for reaching and mobilising the poor and remote communities.
- NGOs are participatory in their approach and follow a ‘bottom up’ strategy for the implementation of projects at the grassroots.
- They are more innovative, flexible and experimental than the government’s agencies.
- The NGOs’ projects are cost effective and efficient.
- The NGOs promote sustainable development.
- They are potentially organising and representative bodies in civil societies.

However, there has been a wide gap between the ideal image of NGOs and their modes of functioning at the grassroots. Indeed, the ideal-typical image of the NGOs has been widely demystified by several researchers. It has been pointed out that even though the NGOs work in the name of the poor, in effective terms they reinforce the rule of the power elite, incur a higher administrative cost, impose an autocratic, top down and non-participatory approach to development. Again, NGOs are not financially independent. As most of the NGOs flourished under a charismatic leadership or are a body of dedicated workers, many of the project, collapse with the disappearance of such leaders and workers. It has also been pointed out that NGOs have no clear-cut objectives that they suffer from the problems of sustainability, and non-replicability; and being small they reach only a few people in developing countries. They fail to reach 80% of the 1.3 billion estimated to be living in extreme poverty. Even the much publicised Grameen Bank of Bangladesh, often cited as a model NGO, accounts for only 0.15% of national credit and all NGOs in Bangladesh together provide only 0.6% of total Credit (Streeten 1998 112-113).

It is important to mention that NGOs are to work in a context and to interact with various forces. They are largely dependent on the government and the international agencies for funds. They are also to interact with the local level politicians. At times their plans and programmes are framed, modified and executed under the influence of these politicians. NGOs’ activities are also conditioned by localised culture and values of the marginalised people among

whom they are working. In the following section of this unit we shall be discussing the relationship of the NGOs with the government rather than with marginalised people.

Reflection and Action 30.3

Discuss the major features of NGOs and their advantages and disadvantages in representing the cause of downtrodden.

30.5 Relationship Between NGOs and the Government

The relationship between NGOs and the government has been rather very complex in recent years. While on the one hand there have been more and more recognition and encouragement for the NGOs' activism by the government, there have been severe criticisms of the government agencies by the NGOs for their rigid bureaucratic and traditional outlook. The government has also been trying to make the NGOs accountable to its, and to the law of the land, to ensure transparency in financial dealings, etc. The NGOs are also trying to make government officials, accountable to the people, to ensure impartial functioning of state organs at the grassroots level. However notwithstanding the contradictory position, there have been several areas of cooperation between the government and NGOs.

NGOs are mostly working on the legalised issues and on a small scale. The state policies on area development, desert development, tribal development, women's development etc., which are addressed at a local level need a vast body of local inputs and resources. The experience and the expertise of the localised NGOs usually come to help in a big way for the successful implementation of these policies. Again the NGOs also formulate innovative projects on these issues receiving expert help from government agencies (Streeten 1998). According to an estimate there are over 30,000 NGOs in India. The Indian state was initially indifferent if not hostile to NGOs' activism. The situation has changed since the Eighth Five Year Plan 1992-1997, and now the government openly encourages the participation of NGOs in development sphere (Bavaskar 2004).

However NGOs' relationship with the state has widely been dichotomous in nature. Though many of them supplement government plans and programmes, they are also simultaneously critical of government policies. Again, while on the one hand they have been defined in terms of negation of the state, on the other they have remained widely dependent on the state for funds. Policies of the NGOs are also at times guided and framed by state policies.

In recent decades there has been a process of internationalisation of NGOs' activism. While working on local and national issues, the NGOs have started getting serious attention and recognition from international agencies. At the international level, many NGOs also take part in the transnational campaign against various social evils like drug addiction, poverty, illiteracy, HIV/AIDS, child abuse, women's rights, environment protection, disarmament, violation of human rights, etc. NGOs also educate people in influencing government policies on several international issues. In the process of undertaking all these initiatives, NGOs have been part of global networking.

Over the years there has been a phenomenal growth of the transaction NGOs, with more working at the global level with larger issues. One of the reasons for such growth has been the crisis in the State caused by massive state deficits, financial crisis and economic restructuring. As the state functioning is going to be restructured along the lines of the corporate market model, and it is also withdrawing from the social sector, NGOs are emerging as important stakeholders and providers of services to the marginalised people.

In the developing countries many NGOs function by receiving funds from foreign agencies. There has also been a tendency to ignore the law of the land by these NGOs. Here serious questions are raised not only by academicians and policy planners but also by the common people on their accountability and mode of spending.

30.6 Marginalisation and the Marginalised People

In developing countries like India, civil societies like NGOs play a crucial role for the social development of the marginalised people. Again these groups of people have also developed a sense of expectations from the NGOs as the state-sponsored development initiatives have miserably failed to elevate their status in society. As discussed in an earlier section, in the contemporary development discourse, the concept of empowerment of the marginalised has got a special focus and civil society initiatives have been given an emphasis. As the role of civil society has acquired a special significance for the social development and the empowerment of the marginalised people, and it has developed a substantive relationship with them let us discuss first who are the marginalised people and how the developmental processes have contributed to their marginalisation in society.

Marginalisation in conventional parlance is a complex process of relegating specific group(s) of people to the lower or outer edge of society. It effectively pushes these groups of people to the margin of society economically, politically, culturally, and socially following the parameters of exclusion and inclusion. Sociologically there are several important dimensions of marginalisation and one is to understand it in the larger context:

Dimensions of denials and deprivations: The process of marginalisation economically denies a large section of society equal access to productive resources, avenues for the realisation of their productive human potential, and opportunities of their full capacity utilisation. These denials ultimately push these populations to the state of rampant poverty, human misery, devaluation of their work, low wage and wage discrimination, casualisation in the workforce, and livelihood insecurity. Thus they are provided with very limited space for upward occupational and social mobility, and are excluded from the range of economic opportunities and choices. Politically, this process of relegation denies these people equal access to the formal power structure and participation in the decision-making processes leading to their subordination to and dependence on the economically and politically dominant groups of society. Politically they emerge to be the underdogs, un/under represented and disempowered. In the continuous process of this relegation, they emerge to be culturally excluded from the mainstream of society becoming “part society with part culture”, “outsider for within”, “alienated and disintegrated”. They eventually get a stigmatised cultural existence, an ascribed low social status and become the victims of cultural segregation. As a consequence of the economic, political and cultural deprivation, a vast chunk of the population of the country has emerged to be socially ignorant, illiterate, uneducated and dependent. Devoid of the basic necessities of life they are relegated to live on the margins of society with a subhuman existence.

Artificial structure of hierarchy: Indeed marginalisation is a man-made and socially constructed process which is permuted and continuously reproduced on the basis of on unequal relationship of dependency and domination. In this context, even the natural differentiation between men and women, linguistic or ethnic groups and so on are put in an order of hierarchy with the guiding principle of domination and subordination. This process of creating hierarchy has arranged social groups in steep ordering of people, with a powerful few at the social and economic command deciding the mainstream of the society, polity and the economy. On the other hand, within the same arrangement the vast majority has remained powerless, occupying the bottom of the socio-economic hierarchy and surviving at the periphery of the social order.

Bases of legitimacy and reproduction: The process of marginalisation has also been historically embedded in a socio-cultural context. Significantly there are strong institutional, normative and ideological bases, steaming out of the primordial interpretation of the institutional and normative arrangements of caste, ethnicity, race, gender, patriarchy, religion and so on, to provide legitimacy to the processes of marginalisation. Again, the ongoing processes of socialisation, education, politicisation, enculturation, etc., contribute to their reproduction in society. Thus, over a period of time, the socially constructed marginalised categories tend to appear to be the empirical categories, viz., the low castes, tribes, women, blacks and so on.

Development strategy and marginalisation: The development strategies, which were implemented within the pre-existing structural arrangements of society, have not been able to bring an end to the deprivation of the marginalised groups, rather than have largely contributed to the social reproduction of marginalisation.

The *Human Development Report* 1990 highlighted ruthless, voiceless, jobless, futureless facts of development. Indeed the marginalised people have emerged to be the major victim of these processes of development. In every human society there are vulnerable sections of marginalised population who are deprived of socio-economic opportunities and choices for their minimum sustenance, and are victims of the artificial structure of hierarchy and social, cultural and political exclusion. In the Indian context, marginalised people are the rural poor, urban, slum-dwellers, manual workers in unorganised sectors, scheduled castes, tribes, women, and other such categories.

An analysis of historical facts reveals that the pre-existing arrangement of distribution of power is hierarchical in nature. This process of hierarchisation has arranged social groups in the steep ordering of people with a powerful “few” at the social and economic command, deciding the mainstream of the society, polity and the economy. On the other hand, within the same arrangement, the vast majority have remained powerless, occupying the bottom of the socio-economic hierarchy and surviving at the periphery or the margin of the social order. Here power as an enabling provision has deprived the powerless of the chance to decide the course of their lives by themselves.

As conventionally development initiatives were implemented through the pre-existing institutional arrangements of society, the marginalised people had very little or no participation in those developmental activities. Again, those initiatives were channelled through the pre-existing power structure. The systemic arrangements have not only legitimised the process of their subordination and deprivation in society through several means, but also contributed to the process of reproduction of this inequality and social construction of marginalisation. Thus the process of marginalisation has remained historically imbedded, notwithstanding the state sponsored initiatives implemented for the upward mobility of the marginalised groups. As against this backdrop, there has been serious rethinking for the participation of the marginalised people in development. As the welfare or emancipation approach of the state has failed to integrate the marginalised people in the development process, an alternative has emerged to evolve the strategy for empowerment of the marginalised people. Let us explain in the next section what we mean by empowerment.

30.7 Civil Society and Empowerment of the Marginalised

Empowerment is a political process. Before we go into conceptualising empowerment, it is necessary to develop an understanding of the following interrelated dimensions of this process.

Dimensions of Legitimacy of Power: The centrality of the notion of empowerment is located in the dynamics of sharing, distribution and redistribution of power, which has a basis of legitimacy. In the sociological sense of Max Weber, power is one's capacity to have control over others; and as such, when this capacity to control is legitimised, it becomes authority (Julien 1968). Indeed the logic of empowerment essentially involves the dynamics of authority. While one talks of the process of distribution/redistribution of authority or in that sense legitimised power, one naturally questions not only the bases of legitimacy for the authority, but also the societal arrangements through which power relations are operated. Following the same logic, powerlessness has also been legitimised within the given social order. Hence empowerment will mean a process of distribution of power through legitimised means.

Context of Use: While talking of authority (legitimised power) as the accompaniment of empowerment, James Herrick (1995) points out that authority in general is used in the following contexts: a) regulatory, based on one's formal position and status in relation to others; b) expert knowledge, where the expert may possess the power to define ordinary people or to withhold knowledge from those whose well-being is affected by it; and c) relationship ability or interpersonal skills, where power comes from interpersonal influence based on abilities to work with people. In human society, however everybody has no equal authority as people have unequal access to the resources that determine power. Indeed, those who have power are those who have control over material resources, knowledge and ideology. Hence the process of gaining control over self, ideology, material and knowledge resources, which determine power, may be termed empowerment (*Batliwala* 1993). Thus the process of gaining control over resources is to be seen within the given context of devisal deprivation, structure of hierarchy and the process of legitimisation and reproduction. Indeed the process of empowerment endeavours to construct an alternative context for equal access to the resources that determine power.

Dynamics of Power Relations: The meaning of power in empowerment practice needs to be examined in terms of power relations. First, that there should be the ability to exercise power in a given context as having power is not the same as exercising it. Second, the exercise of power takes in the objective reality of empowerment – the structural conditions that affect the allocation of power; seizing or creating opportunities in the environment, changing structural conditions. Third, power relations can be symmetrical or asymmetrical. Relations of symmetry are those where relatively equal amounts and type of power and authority are exercised and are based on reciprocity. Relations of asymmetry are those involving unequal amount and types of authority and are those of subordination and super-ordination. It is the latter case - power relations of asymmetry, which we suggest is the major stage for empowerment practice (Heller cf. *Herrick* 1995).

Principle of Change and Transformation: The process of empowerment challenges the power structures of subordination. In the words of *Sen and Crown* (1988) empowerment is concerned with the transformation of the structure of subordination. It implies a process of redistribution of power within and between families/societies (or systems) and a process aiming at social equality, which can be achieved only by disempowering some structures, systems and institutions. To Sharma it is having a specific focus for the disadvantaged sections (Sharma 1992: 29). The processes of demolition of the pre-existing structure of subordination and redistribution of power, however, are not automatic. These also involve participatory approaches that enable people to emancipate themselves (Konenburg 1986: 229), a process of the creation of new knowledge (*Colin* 1990), a process of conscientisation (Freire 1972) and new identity formation with alternative sensibility. Indeed the process of empowerment is a social movement that looks for a radical change in the systemic arrangements of society (SinghRoy 1995). Hence empowerment is

viewed not as an end in itself, but as a means to an end — a strategy to bring liberation from all domination. Liberation from all domination, to Freire, is the fundamental theme of this epoch. This liberation is not a mechanical process but the critical thinking of the socio-historical reality of the life; ability to intervene in reality with a commitment is the harbingers of liberation. To quote Freire:

Men emerge from their submersion and acquire the ability to intervene in reality, as it is unveiled. Intervention represents a step forward from emergence, and results from the conscientisation of the situation. Conscientisation is the deepening of the attitude of awareness characteristics of all emergences. By achieving awareness they come to perceive reality differently (*Freire 1972: 81-85*).

In developing countries like India, development practices were geared towards “growth with stability”. In the fifties and early sixties with the basic thrust being for industrialisation, agricultural modernisation and expansion of infrastructure, education and mass communication. However in the backdrop of imbalanced economic development, increased class inequality, gender segregation and sharp downward mobility of a vast section of the population along with increased levels of poverty, illiteracy and ill health, development policy was reoriented in India in the early seventies to incorporate the philosophy of “social justice” in the development discourse. This reorientation of “development with justice” envisaged strategies to integrate the hitherto neglected “underprivileged”, “weaker sections”, “deprived and marginalised groups” into the mainstream of society by providing various state-sponsored economic (employment, access to productive resources, etc.) and social (education, training, healthcare, water, housing, etc.) benefits to them.

The development practice in India has been reoriented once again since the mid-eighties to associate the notion of empowerment with “development”. This reorientation aims at ensuring the basic necessities of life to the people “by sharing power” with them through institutionalised means, i.e., laws, legal procedures and international obligation. The significant point of departure here is that while the earlier discourses saw the poor people as “beneficiaries”, the emergent one has recognised them as “partners of development”. Accordingly there has been a new coinage of the term “social/human development” since the mid-eighties with the recognition that the “human person is the central subject of development” (United Nations 1985). The context of this reorientation, however, has been globalisation and the structural adjustment programme that implicitly or explicitly looks for the reduction of state expenditure in the social sector - health, education, food security and other basic needs — and the encouragement of privatisation. Thus the state has emerged as “central to economic and social development not as a direct provider of growth, but as a partner, catalyst and facilitator” (World Bank 1997).

In this context, it is essential to examine the recommendation of the World Development Summit, 1995 which talks about “people initiatives”, “people empowerment” and “strengthening capacities of the people”. Regarding the objectives of development, it specifically mentions that:

empowering people, particularly women, to strengthen their capacities is the main objective of development and its principal resource. Empowerment requires the full participation of people in the formulation, implementation and evaluation of decisions determining the functioning and well-being of our societies. To ensure full participation of the people, it is pointed out that the state should provide “a stable legal framework” in accordance with the constitutions, laws and procedures consistent with international law and obligation; which promotes, among with other things, the encouragement of “partnership with free and representative organisations of civil society, strengthening of the abilities and opportunities of civil society and local communities to develop their own organisations, resources and activities (UN 1995).

It is in relation to the above that the World Development Report, 1997, emphasised the need on for effective role of the state for social and economic development, but in a new form. It writes:

the state is central to economic and social development, not as a direct provider for growth but as a partner, catalyst and a facilitator ... the world is changing, and with its our ideas about the state's role in economic and social development (World Bank 1997: 1).

In view of the collapse of the command and control economies, fiscal crises of the welfare states, explosion in humanitarian emergencies in several parts of the world, growing lack of confidence in governance among the marginalised groups, endemic corruption within the system, increase in poverty and various dramatic events, especially technological change in the world economy on the one hand and the growing discontent of the people, manifestation of grassroots mobilisation and increasing pressure of the civil society on the other, a redefinition of the state's responsibilities has been evolved as a strategy of the solution of some of these problems. According to the World Bank:

This will include strategic selection of the collective actions that states will try to promote, coupled with greater efforts to take the burden off the state, by involving citizens and communities in the delivery of the collective goods ... for human welfare to be advanced, the state's capacity - defined as the ability to undertake or promote collective actions efficiently, must be increased (ibid: 3).

It is apparent that within the given perspectives of the “stable legal framework”, “strategic selection of collective action” (i.e., co-option of grassroots mobilisation) by the state, possible partnership of the state with civil society and state-sponsored initiatives of civil society to have their own organisation, the following three important dimensions have emerged very clearly: a) all initiatives for the empowerment of marginalised groups should be in accordance with the prescribed rule of the land; b) the state will selectively co-opt people's initiatives as and when required, and c) the non-government organisations (NGOs) would acquire a significant role to take the burden off the state for the empowerment of the marginalised.

Reflection and Action 30.4

Examine the role of civil society in empowering the marginalised in our society

The NGOs are claimed to have emerged as equal partners in development along with the state in most parts of the developing world. There is no denying the fact that a small section of NGOs have done substantive work for the social development and empowerment of marginalised groups, opting for various innovative alternative channels of development. The efforts of the Self-employed Women's Association (SEWA), Ahmedabad, and the Bankura Project of the Centre for Women Development Studies (CWDS), New Delhi, may be cited as examples here. However, the experiences of SEWA, CWDS and a few such other institutions do not represent the whole story of NGOs' activism in India. A good section of the NGOs in India have emerged to be the “state in disguise” in many parts of the country mostly because of their hierarchical and bureaucratic structures and style of functioning, conventional outlooks, lack of dynamism and inability to generate a community of “change agents” from among the marginalised people. They mostly produce stereotypes and contribute to the prevailing power structure. Though most NGOs start with the promise of inculcating the “culture of change agents” through their interventions to break the age-old structure of subordination and marginalisation, in actual practice they end up inculcating the culture of “target group” beneficiaries who are passive recipients of benefits of various development schemes. Because of their dependency on the state for funds and other resources, they reinforce the state structure and in turn the various

structures of subordination of marginalised groups. Mr Ashis Kumar, activist of a prominent NGO, articulates his frustration:

It is impossible to act as a change agent or to create a “community of change agents” within the given complexities of our society. The donor agencies have their specific expectations; you are to get your money channelised through government and bureaucracy. You are to negotiate at every stage. At the local level there are power dynamics - you are to accommodate their interest. At the grassroots you are to meet the immediate needs of the people. As an organisation we are to survive within the system.... Indeed we are to compromise at every stage as survival strategy. We are however, sure of one point very clearly that if we can survive within these processes, we can contribute to empowerment of the people by not creating alternatives, but by subscribing to the ongoing processes (cf. SinghaRoy 2001).

30.8 Civil Society Movements: A Critique

Though the NGOs begin with the philosophy of negation of governmental initiatives, they are guided by the economic and social policies of the government. In a system of structural dependency on the state, the NGOs without a committed manpower will provide only a limited space for the creation of alternatives. Many NGOs have even proved their inability to fulfill their commitment to the state. It was in 1996 that Central of Council for Advancement of Peoples Action and Rural Technology (CAPARD) blacklisted around 150 NGOs for not fulfilling their commitment. Though the process of proliferation of NGOs has been very sharp in recent years, their disappearance from the public scene has also been conspicuously marked. To whom are they accountable? To the state? To the people? In a scenario where the NGOs have been unable to either inculcate the culture of “change agents” or to form a new collective identity of marginalised groups at a substantive scale, it is very doubtful whether NGO activism will alone pave the way for the empowerment of marginalised groups. However notwithstanding all the criticisms and limitations, there is no denying of the fact that civil societies have been able to initiate a process of mobilisation at the grassroots. Historical evidence shows that such changes in the pre-existing power structure are possible only through sustained grassroots mobilisations, social movements, selfless interventions of civil societies (NGOs, people’s cooperatives and progressive institutions) and well-articulated alternative policy formulations and their execution with a political commitment for the redressal of power imbalances at the grassroots. After all, the marginalised people cannot stand in isolation on an unequal footing compared with the state (SinghaRoy 2001). Collective mobilisation as a long-term political investment will pave the way for the empowerment of the marginalised. Hence there is a need to view civil society activism not with a vote of negation but constructive criticality.

30.9 Conclusion

In this unit we discussed the role of civil society in the development and empowerment of the marginalised groups in society. In the early part of this unit we discussed the meanings and dimensions of the civil societies and their linkage with social movements. The significance of the NGOs as civil society actors, their relationship with the state and the marginalised people are discussed in detail. In the context of the emerging discourse on “development with empowerment”, the significance of civil societies is critically examined. The unit concludes that as the civil societies have emerged to be an important partner of development along with the state and the people, their roles are to be seen very critically.

30.10 Further Reading

Critique of Knowledge
Society

SigshaRoy, D.K. 2003(rpt). *Social Development and the Empowerment of the Marginalised: Perspectives and Strategies*. Sage Publication: New Delhi

Streten, P. 1998. "The Contribution of Non-Governmental Organisations to Development". In *Political Economy Journal of India*. Vol-6 No.2: 111-21



Glossary

Adult Education: Adult education is the practice of teaching and educating adults. It includes organised public educational programs, other than regular full-time and summer elementary and secondary day school that provide opportunities for adult and out-of-school youth who have not graduated to further their education. This is often done in the workplace, or through 'extension' or 'continuing education' courses at secondary schools, or at a college or university or as evening classes.

Agronomists: Agronomists are soils specialists who conduct research in everything from the very basic to the applied issues of soil and water management and land use to improve quality and yield of crops. They study interactions among plants, soils, and the environment. They use sophisticated research tools and techniques to develop new crop hybrids and varieties that grow more efficiently and are more beneficial to society. Agronomists research ways to produce crops and turf, and ways to manage soils in the most environmental friendly way.

Bandwidth: The data transfer capacity of a telecommunications channel, usually expressed in terms of the number of bits per second that can be transmitted (a bit being one unit of information). Narrow bandwidth would correspond to a dial-up modem with 2400 to 56,000 bits per second while broadband can extend to more than 10,000 times this rate.

Biodiversity: Organisms are organised at many levels, ranging from complete ecosystems to the biochemical structures that are the molecular basis of heredity. Biodiversity means the number and variety of different organisms in the ecological complexes in which they naturally occur. A large number of species signifies a healthy atmosphere and characterises the food chain, representing multiple predator-prey relationships.

Biopiracy: Biopiracy refers to the privatisation and unauthorised use of biological resources by entities including corporations, etc. outside of a country, which has pre-existing knowledge. It also means the smuggling of diverse forms of flora and fauna, and the appropriation and monopolisation of traditional population's knowledge and biological resources. Biopiracy causes the loss of control of traditional populations over their resources. Particular activities covered by the term are a) exclusive commercial rights to plants, animals, organs, microorganisms, and genes b) commercialisation of traditional communities' knowledge on biological resources, c) patenting of biological resources.

Broadband Networks: Broadband is a high-speed data transmission capability. It has a transmission speed in excess of 256,000 bits per second in both directions. The term is commonly used to refer to Internet access via cable modems, DSL (JetStream, for example) and increasingly, wireless technologies (WiFi).

Casualisation of Labour: This means expansion of casual/informal employment, which means part-time or temporary or contract employment. They may have to work with minimum wage with no social security cover and trade unionism to raise their work related issues. Casual workers excluded from many of the benefits enjoyed by ongoing, and fixed-term employees, such as legislative protections against unfair dismissal, job security etc.

Counter-culture: In sociology, counterculture is a term used to describe a cultural group whose values and norms are at odds with those of the social mainstream, a cultural equivalent of a political opposition.

Cultural Barriers: Events or occurrences based on culture that create communication problems between individuals from different cultural backgrounds.

Cyberspace: It describes the world of connected computers and the society that gathers around them. The term was coined by author William Gibson in his 1984 novel *Neuromancer*. Cyberspace is now used to describe all of the information available through computer networks and it is commonly known as the Internet.

De-industrialisation: Generally refers to an absolute decline in industrial output or employment rather than simply a decline relative to other sectors of the economy.

De-territorialisation: Some scholars define globalisation in terms of deterritorialisation. For them it is process that entails a reconfiguration of geography, so that social space is no longer mapped in terms of territorial places, territorial distances, or territorial borders (Scholte 2000). Global relations, becomes trans-border exchanges without distance. Such relations are becoming more significant as communication and production increasingly occur without regard to geographic constraints. Transborder organisations of many kinds proliferate, and more people become aware of the world as a single whole.

Devaluation of Currency: Devaluation means the official lowering of the value of one country's currency in terms of one or more foreign currencies as a result of deliberate government action. This also means a reduction in a country's official rate at which one currency is traded for another. Devaluation makes a country's exports cheaper abroad by reducing their prices in terms of foreign currencies and makes imports more expensive by raising their prices in terms of the home currency. Devaluation can provide a short-term boost to an economy encountering balance of payments imbalances, by altering its price competitiveness, but generally has inflationary consequences.

Development Induced Displacement: Development-induced displacement is the forcing of communities and individuals out of their homes, often also their homelands, for the purposes of economic development projects. It is a subset of forced migration. It has been historically associated with the construction of dams for hydroelectric power and irrigation purposes but also appears due to many other development activities, such as mining, infrastructure development etc.

Digital Divide: The term digital divide was coined in the 1990s to describe the perceived growing gap between those who have access to and the skills to use ICT and those who, for socio-economic and/or geographical location, age, gender, culture have limited or no access. There was a particular concern that ICT would exacerbate existing inequalities.

Digitisation: Digitisation generally refers to the process of converting data and information in paper, analog sound tracks, graphics, etc. into binary coded files for the purpose of computer storage and manipulation.

Disinvestment: Disinvestments was a term first used in the 1980s, most commonly in the United States, to refer to the use of a concerted economic boycott designed to pressure the government of South Africa into abolishing its policy of apartheid, which was still in force at that time. In India since 1991 the term is applied to the privatisation of State-held assets by selling out equities.

Drip Irrigation: This is a water-conserving irrigation system where a system of tubes with small holes allow water to drip out onto the root zone of plants. This method results in very little evaporation or runoff, saving water by directing it more precisely, reduced transmission of pathogens, and fewer weeds.

Electronic mail: More often called E-Mail. This is a communication that requires an electronic device for storage and/or transmission. E-mail is a fast, easy, and inexpensive way to communicate with individuals or groups on networked computers and computers equipped for Internet access. Besides basic correspondence, with some systems you can attach and send documents and other files.

Fiscal Deficit: Fiscal deficit is the gap between the government's total spending and the sum of its revenue receipts and non-debt capital receipts. It represents the total amount of borrowed funds required by the government to completely meet its expenditure.

Foreign Exchange Reserve or Forex Reserve: **Forex** is the market where one currency is traded for another. It is one of the largest markets in the world. Foreign exchange are counted in US dollars. India's "forex reserves" recently passed the 100 billion US\$ mark. India has built up this reserve after an unpleasant incident in the early 1990s, when the country's gold reserve had to be pledged because of a balance of payments crisis.

Fossil Fuel Power: Power generated from coal, oil or natural gas that result from the fossilisation of ancient plants or animals. Fossil fuels are the remains of plant and animal life that are used to provide energy by combustion which are produced by the decomposition of ancient (fossilized) plants and animals. These fuels have taken millions of years to form.

Genetic Diversity: Genetic diversity is heritable variation within and between populations of species. This is a property of a community of organisms of a certain species, in which members of the community have variations in their chromosomes due to a large number of slightly dissimilar ancestors; this property makes the community in general more resistant to diseases or to changing ecological conditions.

Genetic Engineering: This is the technique of removing, modifying, or adding genes to a DNA molecule in order to change the information it contains. By changing this information, genetic engineering changes the type or amount of proteins an organism is capable of producing, thus enabling it to make new substances or perform new functions.

Genetic Pollution: Uncontrolled escape of genetic information into the genomes of organisms in the environment where those genes never existed before. This also means the unintended transfer of genetic material from a genetically engineered organism to one that is not genetically engineered.

**Development, Displacement
and Social Movements**

Human Capital: The stock of knowledge and skill, embodied in an individual as a result of education, training, and experience, that makes them more productive enable them to derive economic benefits from that. It is the stock of knowledge and skill embodied in the population of an economy. Human capital can be acquired formally, for example through schooling, or informally, for example through on-the-job learning.

Hydraulic System: A system designed to transmit power through a liquid medium, permitting multiplication of force in accordance with Pascal's law, which states that "a pressure exerted on a confined liquid is transmitted undiminished in all directions and acts with equal force on all equal areas." It is a mechanism operated by the resistance offered or the pressure transmitted when a liquid is forced through a small opening or tube.

Indigenous Knowledge: Indigenous knowledge refers to the knowledge belonging to a specific ethnic group, which is unique to a given culture or society. It is the basis for local-level decision-making in agriculture, health care, food preparation, education, natural resource management, and a host of other activities in rural communities. Indigenous information systems are dynamic, and are continually influenced by internal creativity and experimentation as well as by contact with external systems. It is the knowledge that people in a given community have developed over time, and continue to develop. It is based on experience, often tested over centuries of use, adapted to local culture and environment.

Inflation: The rise in price of goods and services, or Consumer Price Index (CPI), when too much money chases too few goods on the market. Moderate inflation is a result of economic growth. Hyperinflation (rising at rates of 100% or more annually) causes people to lose confidence in their economy and put their money in hard assets such as gold and real estate.

Information Processing: Organisations need to process a rapidly growing amount of information. Information processing is the process by which data are handled and stored to ensure the smooth and efficient handling of information. By typing text, entering data into a computer, operating a variety of office machines etc. all grouped into information processing. Those who engaged in information processing jobs are often called as word processors, typists, and data entry keyers, electronic data processors, keypunch technicians, or transcribers.

Intellectual Capital: Is the possession of the knowledge, applied experience, and professional skills which when properly motivated, translated into customer relationships and can provide the organisation with a competitive edge in the marketplace.

Intellectual Property: Intellectual properties are creation of the intellect that has commercial value, including copyrighted property such as literary or artistic works, and ideational property, such as patents, appellations of origin, business methods, and industrial processes. The term often used to refer generically to property rights created through intellectual and/or discovery efforts of a creator that are generally protectable under patent, trademark, copyright, trade secret, trade dress or other law.

As defined by Article 2, section (viii), of the Convention Establishing the World Intellectual Property Organisation, done at Stockholm, July 14, 1967, "intellectual property" shall include the rights relating to: literary, artistic and scientific works, performances of performing artists, phonograms, and broadcasts, inventions in all fields of human endeavor, scientific discoveries, industrial designs, trademarks, service marks, and commercial names and designations, protection against unfair competition, and all other rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields.

Liberalisation: In international terms liberalisation means trade between nations without protective customs tariffs or free trade. This implies trade or commerce carried on without such restrictions as import duties, export bounties, domestic production subsidies, trade quotas, or import licenses. Internal trade liberalisation means loosening of government restrictions in trade related aspects.

Life-long Learning: A continuum of the learning process that takes place at all levels - formal, non-formal and informal - utilising various modalities such as distance learning and conventional learning. This is a broad concept where education that is flexible, diverse and available at different times and places is pursued throughout life.

Livelihood Opportunities: A livelihood comprises the capabilities, assets (stores, resources, claims and access) and activities required for a means of living. The five types of capital asset that comprise a livelihood are financial, physical, natural, social, and human.

Modernisation: Modernisation implies an approach toward the institutions, structures, and values of Western society. Historically modernisation is the process of change toward those types of social, economic and political systems that have developed in Western Europe and

North America from the seventeenth century to the nineteenth and have then spread to other European countries and in the nineteenth and twentieth centuries to the South American, Asian, and African continents (Eisenstadt, S. M. 1966). Generally, the classical modernisation means the historical process of the great changes of the transformation from traditional agricultural to the modern industrial society since the industrial revolution in 18th century.

Molecular Biology: This is a field of biology that studies the molecular level of organization, which means the study of the structure, function, and makeup of biologically important molecules. It studies the molecular basis of life including the biochemistry of molecules such as DNA/RNA and proteins and the molecular structure and function of the various parts of living cells.

Monopoly: Monopoly means exclusive control or possession of something. In economics, a monopoly is defined as a persistent market situation where there is only one provider of a kind of product or service. Monopolies are characterised by a lack of economic competition for the good or service that they provide and a lack of viable substitute goods.

Neo-classical Economics: Neoclassical economics refers to a general approach to economics based on supply and demand, which depends on individuals (or any economic agent) operating rationally, each seeking to maximize their individual utility or profit by making choices based on available information. Mainstream economics is largely neoclassical in its assumptions. There have been many critiques of neoclassical economics, both from within orthodox economics, and from outside of it, and often these critiques have been incorporated into new versions of neoclassical theory.

Network Society: The term Network Society was coined by Manuel Castells as part of his extensive analysis of modern society. The network society goes further than the information society that is often proclaimed. Castells argues that it is not purely the technology that defines modern societies, but also cultural, economical and political factors that make the network society.

Paradigm Shift: A complete change in thinking or belief systems that allows the creation of a new condition previously thought impossible or unacceptable. It just does not happen but rather driven by changes. A paradigm shift is the term first used by Thomas Kuhn in his famous 1962 book *The Structure of Scientific Revolutions* to describe the process and result of a change in basic assumptions within the ruling theory of science. It has since become widely applied to many other realms of human experience as well. Presently agents of change are driving a new paradigm shift. The signs are all around us. For example, the introduction of the personal computer and the Internet has impacted both personal and business environments, and is a catalyst for a Paradigm Shift. We are shifting from a mechanistic, manufacturing, industrial society to an organic, service based, information centered society, and increases in technology will continue to impact globally. Change is inevitable. It's the only true constant.

Patent: A patent is a set of exclusive rights granted by a government to a person the sole right to make, use and sell, for a fixed period of time in exchange for the regulated, public disclosure of certain details of an invention. The person applying for a patent does not need to be the inventor who created or authored the invention. Many audio and video technologies are covered by patents.

Privatisation: Privatisation is the process of transferring property, from public ownership to private ownership and/or transferring the management of a service or activity from the government to the private sector.

Radioactive Wastes: Radioactive by-products from the operation of a nuclear reactor or from the reprocessing of depleted nuclear waste.

Renewable Energy Resources: Resources that are continually being renewed and replenished and are unlikely to run out. They include solar energy, hydropower, wind, waves and tides. Renewable energy and energy efficiency technologies are key to creating a clean energy future. Most renewable energy comes either directly or indirectly from the sun. Sunlight, or solar energy, can be used directly for heating and lighting homes and other buildings, for generating electricity, and for hot water heating, solar cooling, and a variety of commercial and industrial uses.

Scientific Information: These are Factual inputs, data, models, analyses, technical information, or scientific assessments based on scientific data. This includes any communication or representation of knowledge such as facts or data, in any medium or form, including textual, numerical, graphic, cartographic, narrative, or audiovisual forms

**Development, Displacement
and Social Movements**

Service Economy: The service economy consists of all those economic activities not involved in the production and processing of goods and energy. Service economy can refer to one or both of two recent economic developments. One is the increased importance of the service sector in industrialised economies. Services now account for a higher percentage of GDP than just 20 years ago.

Social Exclusion: This is a term to describe marginalisation from employment, income, social networks such as family, neighbourhood and community, decision making and from an adequate quality of life, the various ways in which people are excluded (economically, politically, socially, culturally) from the accepted norms within a society.

Social Sector: Social sector of an economy includes those areas where any investment may not gain financial returns. Social sector investments lead to the accumulation of human and social capital in a society. Social sector mainly includes poverty eradication, employment generation, education, health, water supply, sanitation, housing, slum development, social welfare and nutrition, rural employment and minimum basic services.

Staple Food: A staple food is a basic but nutritious food that forms the basis of a traditional diet, particularly that of the poor. Although nutritious, staple foods generally do not by themselves provide a full range of nutrients, so other foods need to be added to the diet to prevent malnutrition. Staple foods vary from place to place, but are usually of vegetable origin, from cereals, pulses, corn, rice, millets and plants growing starchy roots.

Symbolic Analysts: Symbolic analysts solve, identify, and broker problems by manipulating symbols. They simplify reality into abstract images that can be rearranged, juggled, experimented with, communicated to other specialists, and then, eventually, transformed back into reality. The manipulations are done with analytic tools, sharpened by experience. These tools may be mathematical algorithms, legal arguments, financial gimmicks, scientific principles, psychological insights about how to persuade or to amuse, systems of induction or deduction, or any other set of techniques for doing conceptual puzzles (Robert B. Reich 1991).

Trade Deficit: Trade deficit is an excess of imports over exports. Trade Surplus is an excess of exports over imports. Balance of trade means both surplus or deficit. The Balance of trade is made up of transactions in merchandise and other movable goods. Balance of trade figures are the sum of the money gained by a given economy by selling exports, minus the cost of buying imports.

Trade Secrets: A trade secret is a confidential practice, method, process, design, or other information used by a company to compete with other businesses. It is also referred to in some jurisdictions as confidential information.

Vicious Cycle: A Vicious cycle is a cycle in which one problem leads to another, which in turn aggravates the first problem. For example poverty. A poor person may not be able to invest in the education of their children or to provide enough economic support this may in turn lead to the poverty of the younger generation also.

Water Conservation: Water conservation means the care, preservation, protection, and wise use of water with methods ranging from more efficient practices in farm, home and industry to capturing water for use through water storage or conservation projects etc.

World Wide Web (WWW): A hypermedia-based system for browsing Internet sites. It is named the Web because it is made of many sites linked together; users can travel from one site to another by clicking on hyperlinks. The World Wide Web is a portion of the Internet comprised of a constellation of networked resources. Its Internet servers utilise HTTP to transfer documents and multimedia files formatted in hypertext markup language (HTML). Not all servers on the Internet are part of the World Wide Web.

References

- Abraham**, Biju Paul 2000. "The Emerging Patents and Intellectual Property Rights Regime: Implications for Indian Economy". In Purushottam Battacharya and Ajitava Roy Chaudhuri (ed.) *Globalisation and India: A Multidimensional Perspective*. Lancers Books: New Delhi
- Acharya**, S. 2001. *India's Macroeconomic Management In The Nineties*. Indian Council for Research on International Economic Relations: New Delhi
- Anderson**, Benedict 1983. *Imagined Communities: Reflections on the Origin and Spread of Nationalism*. Verso: New York
- APEC** Economic Committee 2000. *Towards Knowledge-based Economies in APEC*. **APEC** Secretariat: Singapore <http://www.apecsec.org>
- Australian Council of Trade Unions** 1994. *Green Jobs Industry*. Australian Conservation Foundation: Australia
- Balakrishnan**, N. 2001. "Information and Communication Technologies and the Digital Divide in the Third World Countries". In *Current Science*. 81(8): 966-972
- Balakrishnan**, P. 1996. "The Current Macroeconomic Stabilisation Programme and the Indian Economy." In M. Chattopadhyay, P. Maiti and Rakshit (ed.) *Planning and Economic Policy in India*. Sage Publications: New Delhi
- Bandyopadhyay**, D. 1997. "People's Participation in Planning: Kerala experiment" In *Economic and Political Weekly* 32(39): 2450-54
- Banerji**, Arun Kumar 2000. "Adjusting to the process of Change: India and Globalisation". In Purushottam Battacharya and Ajitava Roy Chaudhuri (ed.) *Globalisation and India: A Multidimensional Perspective*. Lancers Books: New Delhi
- Bardhan**, P. 2001. "Social Justice in Global Economy". *Economic and Political Weekly*. February 3-10
- Bardhan**, P. 2003. *Poverty, Agrarian Structure, and Political Economy in India*. Oxford University Press: New Delhi
- Barrett**, M. 1998. *Women's Opression Today*. Verso: London
- Batliwala**, S. 1993. *Empowerment of Women in South Asia: Concepts and Practices*. ASSBAF and FAO Freedom from hunger campaign, Action and Development: New Delhi
- Baxi**, Upendra 1992. *Globalisation - A World Without Alternatives*. Sare Economists: New Delhi
- Bedi**, Arjun. S. 1999. "The Role of Information and Communication Technologies in Economic Development: A Partial survey". Paper presented at the Global Development Network Meeting, Bonn
- Bell**, Daniel 1976. *The Coming of Postindustrial Society: A Venture in Social Science Forecasting*. Basic Books: New York
- Beteille**, Andre 2000. *Antinomies of Society: Essays on Ideologies and Institutions*. Oxford University Press: New Delhi
- Beyer**, Peter F. 2003. "Four Approaches to Globalisation". In Robertson R. and Kathleen E. White (ed.) *Globalization Critical Concepts in Sociology*. Routledge: London
- Blaney**, D. L., and Pasha, M.K. 1993. "Civil Society and Democracy in the Third World: Ambiguities and Historical Possibilities". In *Studies in Comparative International Development*. Vol. 28, No. 1: 3-24
- Bloustein**, S. etal 1992. *An Assessment of the Chemical Industry's Commitment to the Principles of Community Right to Know*. RMIT: Melbourne
- Blumer**, H. 1951. "Social Movement". In A.N. Less (ed.) *New Outlines of Principles of Society*. Barnes and Noble: New York
- Bodmer**, W. 1985. *The Public Understanding of Science*. Royal Society: London
- Boshier**, R.W. et al. 1997. "Best and Worst-dressed Web Courses: Strutting into the Future in Comfort and Style". In *Distance Education*. 18, 1: 327-349
- Boyd Barrett**, O. (1998). "Media Imperialism Reformulate". In D. K. Thussu, (ed.) *Electronic Empires: Global Media and Local Resistance*. Arnold: London
- Bresser**, Pereira and Luiz, Carlos 1996. *Economic Crisis and State Reforms in Brazil. Towards a New Interpretation of Latin America*. Lynne Rienner: Boulder and London

**Development, Displacement
and Social Movements**

- Brian**, Pinto and Farah, Zahir 2004. *Why Fiscal Adjustment Now*. World Bank Policy Research Working Paper No. 3230 March
- Buggi**, C., Reddy, S. and Gowda, G. 2001. "Impact of Globalisation on Agrarian Class Structure. Its implications for Indian villages". In *Third Concept*. January p 17-19
- Burns**, E. Bradford 1993. *A History of Brazil*. Columbia University Press: Columbia
- Bush**, Stephen 1993. "Indigenous Knowledge of Biological Resources: The Role of Anthropology". In *American Anthropology*. 95(3): 653-686
- Byres** (ed.) 1998 *The Indian Economy: Major Debates Since Independence*. Oxford University Press: New Delhi
- Cable**, Vincent 1999. *Globalisation and Global Governance*. The Royal Institute of International Affairs: London
- Castells**, M. **2001**. *The Internet Galaxy: Reflections on the Internet, Business, and Society*. Oxford University Press: New York
- Castells**, M. 1998. *The Information Age: Economy, Society and Culture. Vol.1 The Rise of Network Society*. Blackwell Publishers: London
- Chadha**, G.K. and P.P. Sahu 2002. "Setbacks in Rural Employment: Issues for Further Scrutiny". In *Economic and Political Weekly*. May 25
- Chand**, Ramesh 1999. Emerging Crisis in Punjab Agriculture: Severity and Options for future. In *Economic and Political Weekly*. March 27
- Chanda**, R. 2002. *GATS and Its Implications for Developing Countries: Key Issues and Concerns*. Department of Economic and Social affairs. United Nations: New York
- Chandhoke**, Neera 1995 *State and Civil Society: Explorations in Political Theory*. Sage: New Delhi
- Cohen**, Jean L. and Andrew Arato 1994. *Civil Society and Political Theory*. The MIT Press: Cambridge
- Coicaud**, Jean Marc and Veijo, Heiskanen (ed.) 2001. *The Legitimacy of International Organisations*. University Press: Tokyo
- Correa**, Carlos M. 2000. Intellectual Property Rights, the WTO and Developing Countries: The TRIPs Agreement and Policy Options. Third World Network: Penang
- Crede**, Andrews and Robin Mansell 1998. *Knowledge Societies in a Nutshell: Information Technology for Sustainable Development*. IDRC: Canada
- Curran**, J. and Gurevitch, M. (eds) 2001. *Mass media and Society*. Eward Arnold: London
- Deaton**, A. 2003. "Is World Poverty Falling?" *Southern Economist*. January p. 21
- Deaton** and Dreze 2002. *Poverty and Inequality in India: A Re-examination*. Centre for Development Economics Working Paper. Delhi School of Economics: New Delhi
- Desai**, Meghnad and Yahia Said (eds.) 2004. *Global Governance and Financial Crises*. Routledge: London
- Desai**, Mira K. 2005. "Intra and Inter-Cultural Diversities in the Era of Globalization: Transnational Television in India". In *Global Media Journal*. Volume 4, Issue 7 http://lass.calumet.purdue.edu/ccajgmj/Fall2005/non_referreed/DesaiFa05.htm
- Deshingkar, J.P.** and Anderson 2004. "Agriculture and Natural Resource based livelihoods in an era of Economic Reform and Globalisation". In J.P. Deshingkar and C. Johnson (ed.) *Policy Windows and Livelihood Futures: Trends and Prospects for Poverty Reduction in Rural India*. Oxford University Press: New Delhi
- Dev** and Mooij 2002. "Social Sector Expenditures in the 1990s. Ananlysis of Centre and State Budgets". *Economic and Political Weekly*. March 2-8
- Dev**, S. Mahendra and Ajit Ranade 1999. "Persisting Poverty and Social Insecuity. A Selective Assessment". Kirit S. Parikh (ed.) *India Development Report*. Oxford University Press: New Delhi
- Dierkes**, M. and Von Grote, C. (eds) 2000. *Between Understanding and trust: The Public, Science, and Technology*. Harwood Academic Publishers: Amsterdam
- Drucker** Peter, F. 1988. "The Coming of the New Organization". In *Harvard Business Review*. 88: 45-53
- Drucker**, Peter 1994. *Post-Capitalist Society*. Harper Business: New York
- Edsalt**, S. 2000. *GATS to Impact Public Education*. NSW Teachers Federation: Education on Live. Development Policy No. 7, August

- Edwards**, Michael 2000. *NGO Rights and Responsibilities: A New Deal for Global Governance*. Central Books: UK
- Erickson**, J. 1998. "Online - and in fashion. "The Internet comes into its own as a Catalyst for Political Change and Economic Activity". In *Asiaweek*. December 25
- Eyerman**, R. and Jamison, A. 1991. *Social Movement: A Cognitive Approach*. Polity Press: Cambridge
- Feather**, John 1998. *The Information Society: A Study of Continuity and Change*. Library Association Publishing: London
- Foray**, D. and B.A. Lundvall, (1996), "The Knowledge-based Economy: from the Economics of Knowledge to the Learning Economy". In *OECD Employment and Growth in the Knowledge-Based Economy*. OECD: Paris
- Foucault**, M. 1977. *Discipline and Punish: The Birth of the Prison* (Translated from French by Alan Sheridan), Allen Lane: London
- Frase**, P and O'Sullivan, B. 2003 *The Future of Education Under the WTO*. www.campusdemocracy.org/wtoed.html.
- Freeman**, L. 1999. *Gulliver in Southern Africa: South Africa and Zimbabwe in the Post-Apartheid Era*. Paper delivered at the University of Western Australia, Perth, 26-29 November-1999
- Freire**, P. 1972. *Pedagogy of the Oppressed*. Penguin Books: Middlesex
- Galligan**, B., Roberts, W. and Trifiletti, G. 2001. *Australians and Globalisation: The Experience of Two Centuries*. Cambridge University Press: U.K.
- Galtung**, J. 1979. *Development, Environment and Technology: Towards a Technology of Self Reliance*. United Nations: New York
- Georgios**, I. et al 2004. *Social and Economic Transformation in Digital Era*. India Group: U.K.
- Ghosh**, A. 1991. "The Budget and its Relevance for Restructuring the Economy". In *Economic and Political Weekly*. vol. XXVI:34, 2011-2019.
- Ghosh**, J. 1998. "Liberalization Debates". In T.J Byres (ed.) *The Indian Economy: Major Debates Since Independence*. Oxford University Press: New Delhi.
- Giddens**, A. 2000. *The Third Way and its Critics*. Mass Polity Press: Malden
- Jhabvala, Renana and Sinha, Shalini 2002. "Liberalisation and the Women Workers". *Economic and Political Weekly*. May
- Gill**, S.S. 2003 "Globalization: Higher Education will suffer". In *The Tribune*. July 20
- Gladieux**, L.E. and Swail, W.S. 1999. *The Virtual University and Educational Opportunity*. The College Board: Washington, DC
- Gordon**, Sandy 1997. "Globalisation and the Economic Reforms in India". In *Australian Journal of International Affairs*. Volume 51, No. 1
- Government of India** 1988. *India, 1988-89*. Publications Division, Government of India: New Delhi
- Government of India** 2003. *India, 2003-04*. Publications Division, Government of India: New Delhi
- Gramsci**, A. 1998 (rpt). *Selections From the Prison Notebooks*. Orient Longman: Chennai
- Gray**, R. H., and C. D. Becker. 1993. "Environmental Cleanup: The Challenge at the Hanford Site, Washington, USA." *Environment Management*. 17:461-475
- Griffin**, Keith 2004. "Globalisation and Culture". In Stephen Cullenberg and Prasanta K. Pattnaik (ed.) *Globalisation, Culture and Limits of the Market*. Oxford University Press: New Delhi
- Griffin**, Michael 2002. "From Cultural Imperialism to Transnational Commercialisation: Shifting Paradigms in International Media Studies". *Global Media Journal*. Vol.1, issue 1 ([http://www.lass.calumet.purdue.edu/From Cultural Imperialism.htm](http://www.lass.calumet.purdue.edu/From%20Cultural%20Imperialism.htm))
- Guha**, A and Ray, A.S. 2000. "Multinational versus Expatriate FDI, A Comparative Analysis of the Chinese and Indian Experience". Indian Council For Research on International Economic Relations
- Gusfield**, J.R. (ed.) 1972. *Protests, Reforms and Revolt: A Reader in Social Movement*. New Wiley and Sons: New Delhi

**Development, Displacement
and Social Movements**

- Haberle**, R. 1972. "Types and Functions of Social Movement". In *International Encyclopedia of Social Sciences*. Macmillan and Company: New York
- Hardiman**, D. 1998. "Well Irrigation in Gujarat. Systems of Use, Hierarchies of Control." In *Economic and Political Weekly*. 33:25, p. 1533-1544
- Hazel**, Henderson 1999. *Beyond Globalisation: Shaping a Sustainable Global Economy*. West Hartford, CT: Kumarian
- Helene**, Moussa 1999. *Global Surge in Forced Migration Linked to Colonial Past*. Women's Press: Toronto
- Henderson**, D. 1999. *The MAI Affair: A Story and its Lessons*. The Royal Institute of International Affairs: London
- Herbst**, Jeffrey 1990. *State Politics in Zimbabwe*. University of Zimbabwe Press: Harare
- Higgot**, Richard and Antony, Payne (ed.) 2001. *New Political Economy of Globalisation*. Cheltenham: U.K.
- Hillary**, John 1999. *Globalisation and Employment: New Opportunities, Real Threats*. Panos Briefing No.33 <http://www.nswef.org.au/edu>
- Hoffman**, D.L. and Novak, T.P. 1998. "Bridging the racial divide on the Internet". In *Science*. April 17, 390-391
- Hurrell**, Andrew 1992 "The International Politics of Amazonian Deforestation". In Andrew Hurrell and Benedict Kingsbury (ed.) *The International Politics of the Environment. Actors, Interests and Institutions*. Clarendon Press: Oxford
- Ila** Patnaik, 2003. *India's Policy Stance on Reserves and the Currency*. Working Papers 108, Indian Council for Research on International Economic Relations, New Delhi
- James**, H. Marsh (editor in chief) 1988. *The Canadian Encyclopedia*. Second Edition, Volume 1. Murtin Publiishers: Edmonton
- Jessop**, Bob 2003. "The State and the Contradictions of the Knowledge-Driven Economy". In Bryson, J.R. et.al. (eds) *Knowledge, Space, Economy*. Routledge: London
- Joshi**, V. and Little, I.M.D. 1998. *India's Economic Reforms 1991-2000*. Oxford University Press: New Delhi
- Kacowicz**, Arie M. 1999. *Regionalisation, Globalisation and Nationalism: Convergent, Divergent or Overlapping Alternatives?* University of Notre Dame: Indiana
- Kapila**, Uma, (ed.) 2000. *Indian Economy Since Independence*. Academic Foundation: New Delhi
- Keniston**, S. 2003. *CMTE - the Underground Potential*. CMTE Postgraduate Conference. Brisbane: Australia 19 May
- Khan**, A.R. 2003. *Economic Survey 2003-04*. V.P.G. Books: Delhi
- Khor**, Martin 2001. *Rethinking Globalisation: Critical Issues and Policy Choices*. Books for Change: Bangalore
- Konenburg**, J. 1986. *Empowerment of the Poor: A Comparative Analysis of Two Development Endeavours in Kenya*. Kninlijk Institute Voor de Tropan
- Kundu**, A. Bagchi and Kundu, D. 1999. "Regional Distribution of Infrastructure and Basic Amenities in Urban India: Issues Concerning Empowerment of Local Bodies". *Economic and Political Weekly*. 34(28), July
- Kundu**, Amitabh 2001. "Urban Development, Infrastructure Financing and Emerging Systems of Governance in India: A Perspective". In *Social Sciences Selection*. Vol. 4, No.5, April
- Kurian**, C.T. 1994. *Global Capitalism and the Indian Economy*. Orient Longmont: New Delhi
- Latchem**, C and Hanna, D. 2002. "Leadership for Open and Flexible Learning". *Open Learning*. 17(3), 203-215
- Lee**, C.C. 1980 *Media Imperialism Reconsidered: The Homogenizing of Television Culture*. SagePublications: London
- Leonard**, A. 1998. "Soweto online". In *Salon Magazine*. 16 November
- Lewenstein**, B. 1992. "The Meaning of `Public Understanding of Science". In *Public Understanding of Science*. 1, 45-68
- Lokayan** Bulletin, (Editorial) 1991. "Dams on the River Narmada: A Call to Conscience". May-August Vol. 9, No.3 and 4, Pp 1-10

- Lundvall**, B.A and B. Johnson 1994. "The Learning Economy". In *Journal of Industry Studies*. Vol. 1, No 2, December, pp. 23-42
- Lyon**, D. 1988. *The Information Society: Issues and Illusions*. Polity Press: Cambridge
- Makambe**, John. 1996. *Participatory Development: The Case of Zimbabwe*. University of Zimbabwe Press: Harare
- Malcolm**, Waters 2001. *Globalization*. Routledge: Oxford, UK
- Mandal**, R. 1994. *Privatisation in the Third World*. Vikas Publishing House: New Delhi
- Mander**, J. 1996 "Corporate Capitalism". In *Resurgence*. November/December, No. 179:10-12
- Mander**, Jerry and Edward Goldsmith 1996. *The Case Against the Global Economy and for a Turn Toward the Local*. Sierra Club Books: San Francisco
- Maria** J.F. Willumsen and Eduardo Giannetti da Fonseca (ed.) 1997. *The Brazilian Economy: Structure and Performance in Recent Decades*. North-South Centre Press: University of Miami
- Martinussen**, John Degnobl 2001. *Policies, Institutions and Industrial Development*. Sage Publications: New Delhi
- Mascarenhas**, M. 2003. "Unpalatable Truth". *The Hindu*. June 22
- Mathur**, Hari Mohan and David Marsden (ed.) 1998. *Development Projects and Impoverishment Risks*. Oxford University Press: New Delhi
- McAdam**, D. 1982. *Political Process and the Development of Black Insurgency 1930-1970*. University of Chicago Press: Chicago
- McCully**, Patrick 1998. *Silenced Rivers. The Ecology and Politics of Large Dams*. Orient Longman Ltd.: Delhi
- McDelland** and Steward Inc. 2000. *The Canadian Encyclopedia, 1999*. The Canadian Publishes: Toronto, Canada
- McLennan**, Gregor 2000. "The New Positivity". In Eldridge, John et.al. (eds.) *For Sociology: Legacy and Prospects*. The Sociology Press: Durham
- McLuhan**, Marshall 1964. *Understanding Media*. McGraw-Hill: New York
- Melucci**, A. 1996. "Symbolic Challenge of Contemporary Movements". In S.M. Buechler and J. Cylke (ed.) *Studying Collective Action*. Sage Publications: London
- Modelski**, George and Kazimierz Poznanski. 1996. "Evolutionary paradigms in the social sciences". *International Studies Quarterly* 40 (3): 315-20
- Morris**, Merrill and Ogan, Christine(1996). "The Internet as a Mass Medium". In *Journal of Communication*. 46(1).39-50.
- Moussa**, Helene 1999. *Global Surge in Forced Migration Linked to Colonial Past*. Women's Press: Toronto
- Moyo**, S. 1995. *The Land Question in Zimbabwe*. SAPES Publication: Harare
- Naisbitt**, J. 1986. *Reinventing the Corporation: Transferring Your Job and Your Company for the New Information Society*. Nicholas: London
- Nayyar**, D. 1996. *Economic Liberalisation in India: Analytics, Experience and Lessons*. Orient Longman: Hyderabad
- Nayyar**, D. 1997. *Globalisation: The Past in Our Future*. Third World Network: Penang, Malaysia
- Nhema**, A.G. 2002. *Democracy in Zimbabwe: From Liberation to Liberalisation*. University of Zimbabwe Publications: Harare
- Night**, J. 2002. *Trade in Higher Education Services: The Implications of GATS*. The Observatory on Borderless Higher Education: London
- Noble**, D. 1997. *Digital Diploma Mills: The Automation of Higher Education*.
- O'Brian**, R. 1992. *Global Financial Interpretation: The end of Geography*. The Royal Institute of International Affairs: London
- Ohmae**, K. 1990. *The Borderless World*. Collins: New York
- Osborne**, Thomas 2003. "On Mediators: Intellectuals and the Ideas Trade in Knowledge Society". In *Economy and Society*. 33(4) 430-447
- Ott**, C. 1998. "Computers in the Classroom Promote a Conservative Vision of Education but Liberals don't Seem to Have Noticed". In *Salon Magazine*. August 28

- Panikkar**, K.N. 1995. "Globalisation and Culture". In *The Hindu*. 4th October
- Parikh**, Kirit, S. (ed.) 1999. *India Development Report*. Oxford University Press: New Delhi
- Parikh**, Kirit, S. and Ajay Shah 1999. "Second Generation Reforms". In Kirit S. Parikh (ed.) *India Development Report*. Oxford University Press: New Delhi
- Patnaik**, P. 1986. "Public Debt as a Mode of Financing Public Expenditure: Some Comments." In *Economic and Political Weekly*. Vol. XXI, No. 35, August, pp.1545-1552
- Patnaik**, P. 2003. *On the Economics of 'Open Economy' De-Industrialization*. V.V.Giri Memorial Lecture delivered at the Annual Conference of the Indian Society of Labour Economics, Kolkata, available from <http://www.macrosan.com>
- Patnaik**, P. 2004. "On Financing Infrastructure on the strength of Reserves." In *Economic and Political Weekly*. December 25
- Patnaik**, U. 2004 *The Republic Of Hunger*. Lecture delivered on the occasion of the 50th Birthday of Safdar Hashmi, Organized By Sahmat (Safdar Hashmi Memorial Trust) April, New Delhi
- Pavlik**, John V., and Everette E. Dennis 1998. *New Media Technology: Cultural and Commercial Perspectives*. 2nd ed. Allyn and Bacon: Boston
- Peter**, Flynn 1996. "Brazil: The Politics of the "Plano Real". In *Third World Quarterly*
- Pierse**, J.N. 2001. Globalization and Collective Action. In Pierre Hamel (ed.) *Globalisation and Social Movements*. Palgrave: Great Britain
- Pierre**, Hamel et al 2001. "The Shifting Frames of Collective Action". In Pierre Hamel (ed.) *Globalisation and Social Movements*. Palgrave: Great Britain
- Pinto**, B. and F. Zahir 2004. *India: Why Fiscal Adjustment Now*. World Bank Policy Research Working Paper 3230, March
- Pitroda**, S. 1993. "Development, Democracy, and the Village Telephone". In *Harvard Business Review*. November-December, 66-68
- Poux**, C. 2001. *Cultural Imperialism*. In <http://iml.jou.ufl.edu/projects/Spring01/Poux/Cultural%20Imperialism.html>
- Putnam**, R. D. 1993. *Making Democracy Work: Civil Traditions in Modern Italy*. Princeton University Press: Princeton NJ
- Pyle**, Jean. L. 2002. "Globalisation, Universities and Sustainable Development: a Framework for Understanding the Issues". In Jean L. Pyle and Robert Forrent (ed.) *Globalisation, Universities and Issues of Sustainable Human Development*. MPG Books Ltd.: Cornwall
- Rakshit**, M. 1991. "The Macroeconomic Adjustment Programme: A critique." In *Economic and Political Weekly*. vol. XXVI: 34, 1977-1988
- Rakshit**, M. 2002. "Some Macroeconomics of India's Reforms Experience: An Outline." Paper presented at The Indian Economy Conference at Cornell University, April, downloadable at <http://www.arts.cornell.edu/econ/indiaconf/Rakshit%20outline.pdf>
- Rakshit**, M. 2004 "Some Puzzles of India's Macro economy." Paper presented at the National Conference in Honour of Prof. K.N.Raj at St. Thomas' College, Thrissur, October.
- Rakshit**, Mihir 1998. *Studies in the Macroeconomics of Developing Countries*. OUP: New Delhi
- Rene** Morissette, Xuelin Zhand and Marie Drolet 2003. "Are families getting richer". In *Canadian Social Trends*. Autumn 202, No. 66.
- Romer**, Paul M. 1990. "Endogenous Technological Change". In *Journal of Political Economy*. University of Chicago Press, vol. 98(5), pages 71-102
- Roy**, Alok 1997. "Economic Liberalisation in India: Balance of Payments Implications". In *Economic and Political Weekly*. July 11
- Roy**, Alok 2000. "Globalisation challenges in India". In Purushottam Battacharya and Ajitava Roy Chaudhuri (ed.) *Globalisation and India: A Multidimensional Perspective*. Lancers Books: New Delhi
- Schiller**, H.I. 1976. *Communication and Cultural Domination*. International Arts and Sciences Press: White Plains, NY
- Scholte**, J.A. 1999. "Globalisation: Prospects of Paradigm Shift" In M. Shaw (ed.) *Politics of Globalisation: Knowledge, Ethics and Agency*. Routledge: London
- Scott**, M. 2001. "Danger Landmines: NGO-Government Collaboration in the Ottawa Process". In *Non-Profit and Voluntary Sector Quarterly*.

- Selnow**, G. W. 2000. "Internet Ethics". In R. E. Jr. Denton (ed.) *Political Communication Ethics: an Oxymoron?* Praeger Publishers: CT, Westport
- Sen**, A. and Himanshu 2004. "Poverty And Inequality In India-II, Widening Disparities During The 1990s." *Economic and Political Weekly*. September 25, 4361-4375.
- Sen**, G. and C. Crown 1988. *Development, Crisis and Alternative Visions*. Earthscan: London
- SEWA** 2004. *Impact of Globalisation on Informal Sector. A Casestudy of SEWA Members*. <http://www.sewa.org>
- Sharma**, K. 1992. "Grass-root Organisations and Women's Empowerment: Some Issues in Contemporary Debates". In *Samya Shakti*. 1(6): 28-43
- Shaw** Annapurna 1999. "Emerging Pattern of Urban Growth in India". *Economic and Political Weekly*. April 17-24
- Singh**, N. and T. N. Srinivasan 2004. "Fiscal Policy in India: Lessons and Priorities," Paper presented at the NIPFP-IMF conference in New Delhi, February
- Singh**, Nirvikar and T. N. Srinivasan 2004. *Foreign Capital Inflows, Sterilization, Crowding-Out and Growth*. Princeton University Press: Princeton
- SinghRoy**, D.K. 2003(rpt). *Social Development and the Empowerment of the Marginalised: Perspectives and Strategies*. Saga Publication: New Delhi.
- Siva**, Vandana 2005. "India: Soft Drinks, Hard Cases". *Le Monde Diplomatique*. March (<http://www.mindfully.org>)
- Smith**, Peter 2001. "The Impact of Globalization on Citizenship: Decline or Renaissance?" *Journal of Canadian Studies* 36(1): 116-140
- Smythe**, E. and P.J. Smith 2003. NGOs, Technology and the Changing Face of Trade Politics" In K.L.Brock (ed.) *Delicate Dances: Public Policy and the Non Profit Sector*. McGill-Queen's University Press: London
- Spanish Report** 1998. *Green Jobs Project*.
- Srinivasan**, T.N. 2003. *Indian Economic Reforms: A Stock Taking*. Stanford Centre for India Programme. Working Paper no. 190
- Statistics Canada** 2001. *National Income and Expenditure Accounts*. Catalogue no. 13-001-PB, 4th Quarter
- Stehr**, Nico (2001) *The Fragility of Modern Societies: Knowledge and Risk in the Information Age*. Sage Publications: London
- Stephen**, Deery and Nicholas, Kinnie (ed.) 2003 *Call Centres and Human Resource Management: a Cross-national Perspective*. Basingstoke: Hampshire, New York
- Stevens** et al 2004. *The Impact of Reform of international trade on Urban and Rural Change*. Report to the rural-urban change policy division. DFID: London
- Strange**, S. 1996. *The Retreat of the State: The Diffusion of Power in the World Economy*. Cambridge University Press: New York
- Streten**, P. 1998 "The Contribution of Non-Governmental Organisations to Development". *Political Economy Journal of India*. Vol-6 No.2: 111-21
- Sundaram**, K and S. D. Tendulkar 2003. "Poverty Has Declined in the 1990s: A Resolution of Comparability Problems in NSS Consumer Expenditure Data." *Economic and Political Weekly*. January 25.
- Sundaram**, K. 2001. "Employment-Unemployment situation in the nineties: Some Results from the NSS 55th Round Survey". *Economic and Political Weekly*. March 17
- Swasti Mitter** 2001. "Globalisation and ICT: Employment Opportunities for Women". In *IT Information Technology*. Vol. 11, No. 2 December
- Tarrow**, S. 1994. *Power in Movement: Social Movements, Collective Action and Mass Politics in the Modern State*. Cambridge University Press: New York
- Taylor**, Charles 1990. *Invoking Civil Society*. Working Papers, No. 5, Centre for Transcultural Studies, Chicago
- Toch**, H. 1965. *Social Psychology and Social Movements*. Bobbs-Merrile: Indianapolis
- Toffler**, Alvin 1980. *The Third Wave*. Pan Books: London
- Tolly** 1978. *From Mobilization to Revolution*. Addison-Wesley: Massachusetts
- Tomilson** 1991. *Cultural Imperialism: A Critical Introduction*. Pinter Publisher: London

**Development, Displacement
and Social Movements**

Tuchman, G. 1981(revised edition). "The Symbolic Annihilation of Women by the Mass Media". In S. Cohen and J.Young (eds) *The Manufacture of News*. Constable: London

UNCTAD 1996. *The TRIPs Agreement and Developing Countries*. New York and Geneva

UNDP 1999. *Human Development Report*. Oxford University Press: New York

UNDP 2003. *Human Development Report*. Oxford University Press: New Delhi

United Nations 1999. *World Survey on the Role of Women in Development: Globalisation, Gender and Work*. United Nations Publications: Geneva

Virmani, A. 2001. *India's 1990-91 Crisis: Reforms, Myths and Paradoxes*. Planning Commission Working Paper no. 4, December

Volkmer, Ingrid 2003. *Dialectical Spaces in the Global Public Sphere, Media Memories Across Generations*. Joan Shorenstein Center on the Press, Politics and Public Policy, Harvard University, Cambridge. Working Paper Series, 2003-5.

Wang G, Jan Servaes and A. Goonasekera 2000. *The Communications Landscape, Demystifying Media Globalisation*. Routledge: London

Webster, Frank 1995. *Theories of the Information Society*. Routledge: London

Weisman, D.L. and Sibley, D.S. 1998. "Raising Rivals Costs: The Entry of an Upstream Monopolist into Downstream Markets". In *Information Economics and Policy*. 10, 451-470

Wilson, J. 1973. *Introduction to Social Movements*. Basic Books: New York

Woolgar, Steve (ed.) 2002. *Virtual Society? Technology, Cyber bole, reality*. Oxford University Press: Oxford

World Bank 1997. *The World Development Report*. OUP: New Delhi

Website Addresses

<http://cade.icaap.org>

<http://news.bbc.co.uk>

<http://oecd.org>

<http://sewa.org/>

<http://twm.co.nz>

<http://www.dcita.gov.au>

<http://www.dfait-maeci.gc.ca>

<http://www.economics.adelaide.edu>

http://www.firstmonday.dk/issues/issue3_1/noble/index.html

<http://www.greenpeace.org>

<http://www.idsnet.org>

<http://www.ilo.org>

<http://www.indiainfoilne.com>

<http://www.med.gov.nz>

<http://www.mssrf.org/>

<http://www.nationmaster.com>

<http://www.opt-init.org>

<http://www.pathfinder.com/asiaweek/current/issue/cs6.html>

<http://www.phmovement.org>

<http://www.photius.com>

http://www.salonmagazine.com/21st/feature/1998/11/cov_feature2.html

<http://www.thecornerhouse.org.uk>

<http://www.usaid.gov>

<http://www.citizen.org>

<http://www.wto.org>

Unit 17

Canada

Contents

- 17.1 Introduction
- 17.2 Economic History of Canada
- 17.3 Canadian Economy — An Overview
- 17.4 Emergence of Economic Nationalism
- 17.5 Macdonald Commission: Future Economic Prospects
- 17.6 Economic and Social Indicators
- 17.7 Relations with India
- 17.8 Conclusion
- 17.9 Further Reading

Learning Objectives

This unit makes an attempt to explore:

- the economic history of Canada;
- the emergence of economic nationalism in Canada;
- the economic development and policies in the post World War II period; and
- the indicators of social development in Canada.

17.1 Introduction

Canada, the world's second largest country, contains an extremely wide variety of geographical features ranging from the magnificent Rocky Mountains, the warm blue Pacific Ocean on the West Coast, to beautiful lakes and the magnificent Niagara Falls in Central Canada. Moreover, Canada is the largest country in the Western Hemisphere, with a total area of 9,970,610 sq. km and the world's longest coastline extending over 244,000 km as well. Canada's economy is not only one of the soundest in the world but has been ranked the number one country in the world for several years. The United Nations has ranked Canada as the best country in the world to live in. The survey compared a total of 174 countries, using 200 performance indicators including access to education, quality health care, a low incidence of crime in Canadian cities, and a clean environment.

Canada ranks fourth in the world as per human development index (HDR 2004), behind only to Norway, Sweden and Australia, Canada, the eighth largest trading nation in the World, with its relatively low levels of inflation, is not only an active foreign investor on the global front, but also receives a high degree of foreign investment from all over the world.

Canada, with its population of 31.4 million (in 2002), was formed from a confederation of 10 provinces and two territories in 1867. At present, Canada has 10 provinces and 3 territories, each with its own capital city.

The present unit exposes you to a brief background of Canada and major economic activities of different regions of Canada. It looks into the economic history of Canada, which shows a clear shift in the economic approaches of Canada and her commitment for regional unity in trade affairs. Even while Canada showed trade openness there had been attempts in the country from

certain quarters for an economic nationalism. These points also discussed in the unit. Along with the discussion on economic development of the country the unit also elicits on the social indicators of development of the country.

17.2 Economic History of Canada

Though Canada is a single economic unit, but to begin with, in the following section, we will view the economic background of Canada by region.

i) **Central Canada**

Initially, most of the native people were hunters and food-gatherers, and agriculture was practiced by a very small number of Iroquoian groups. There was no specialised merchant class but trading was common. Due to the arrival of French and British traders in the 16th century, a great deal of economic and cultural changes occurred among the native people.

Much of central Canada’s industry, including the country’s two great industries, milling and lumbering, was dispersed through the countryside or in small villages even in 1871 and afterwards, due to rapid industrialisation and urbanisation. By 1911 half of Ontario’s population lived in cities and towns (*The Canadian Encyclopedia* 2000: 714).

ii) **Atlantic Canada**

In addition to fur trading, sea fisheries brought about major economic development in the Atlantic region. But the 1920s and 1930s were unhappy decades when the iron, steel, coal and machinery industries were in chronic difficulty and, like the fishery, they suffered in the Great Depression. Nor did new manufacturers make much headway, in spite of continuing federal subsidies for rail transport. The few rays of hope included new pulp and paper plants and new protected markets for apples and lumber in Britain. World War II brought hectic prosperity to those communities, which served the naval and air bases, and after 1945 the situation improved (Ibid: 715).

iii) **Western Canada**

Fur trade was the beginning of economic development in Western Canada. In the late 1890s, the prospects for development brightened as world prices rose, transport costs fell, methods of dry land farming improved, and more appropriate varieties of wheat became available. Until 1929 the Prairie provinces enjoyed an immense expansion of the wheat economy, onto which was grafted, before 1914, a very much larger rail system, a network of cities and towns, coal mining and ranching. By 1914 the frontier of settlement had been pushed well towards the northwest, attracting migrants from many foreign lands. The result was a regional economy, which depended almost entirely upon the world price of a single crop and on local yields, both of which fluctuated greatly (Ibid: 715).

Reflection and Action 17.1

Do markets have any role to play in the economy of the country? Mention the reasons with examples.

With new projects in oil, gas, pipeline-building and potash, the year after 1945 saw resource-based development, rapid urbanisation and dramatic increases in standard of living. New markets in the erstwhile USSR, China and in developing nations for wheat opened up new horizons. The western provinces remained heavily dependent on the export of a few primary products and on the investment activity, which the primary industries could generate. The West remained “development-minded”, as it had been between 1896 and 1914 (Ibid: 716).

Most of the Canadians were doing white collar jobs and staying in cities by 1980. There were less disparities in income and standard of living. But the economies of the various regions were quite different ranging from manufacturing to generation of surpluses of national products. During this period, despite all this development, in the Atlantic province, living standards were comparatively low.

17.3 Canadian Economy – An Overview

Canada has always been an open economy. Openness to trade, capital and labor has been an intrinsic part of the country's economic success, but also exposes the economy to fluctuations. From the establishment of continuous European settlement until 1850 Canada was a colonial economy integrated primarily with the French and then the British economy. The 1840s and 1850s mark a watershed as Britain adopted free trade policies and allowed the British North American colonies to determine their own trade policies. This coincided with the growth of wheat exports from different parts of the country. The major features of the last half of the nineteenth century were attempts to industrialise behind tariff barriers and the steady reorientation of international economic relations from Great Britain to the USA. The orientation towards the USA was rarely encouraged by trade policies after the non-renewal of the Reciprocity Treaty in 1866; Canada and the USA even came close to a trade war towards the end of the first decade of the 1900s. The main source of foreign capital remained the UK, but US direct foreign investment in Canada accelerated from the 1870s to 1914. Migration patterns depended on the relative attractiveness of settlement on the Canadian and American frontiers. The Prairie wheat boom led to large changes in the total population and its distribution across the country. Since it coincided with large-scale emigration from eastern Europe, the Prairies' population had a different composition to that of the rest of Canada. The period 1914-1939 was one of instability in the domestic and world economy. The 1920s saw rapid growth and continuation of the reorientation of economic relations towards the USA. By the mid-1930s Canada was trying to convince the USA to negotiate reciprocal trade liberalisation. During and after the 1939-45 war Canada helped to convince the USA and UK to lead the world to a liberal trading system based on liberal trade policies. Although Canada played an active role in GATT and was a firm proponent of multilateralism, trade barriers were reduced more slowly than in the other industrialised countries. Nevertheless, there was a substantial liberalisation of trade barriers and Canada was a major player in the world economy, reflected in its presence at the G7 summits, which began in the 1970s. Despite the multilateral (non-discriminatory) approach, Canada's trade remained highly concentrated on the USA. During the long economic boom of the 1950s and 1960s Canada also experienced large inflows of labour and capital. Canada was an open economy integrated into the world economy but with a heavy orientation towards the USA, and those features could not be readily changed. Attempts to regulate foreign investment led to frictions with the USA, without noticeably diminishing the presence of US corporations in Canadian life. By the 1970s the UK had ceased to be a major trading partner and the next most important region after North America was East Asia, a phenomenon especially apparent in Vancouver (<http://www.economics.adelaide.edu.au>).

As an affluent, high-tech industrial society, Canada today closely resembles the US in its market-oriented economic system, pattern of production, and high living standards. Since World War II, the impressive growth of the manufacturing, mining, and service sectors has transformed the nation from a largely rural economy into one primarily industrial and urban. The unemployment rate has been decreasing steadily and the real rates of growth have averaged nearly 3.0% since 1993. The government budget surpluses are partially devoted to reducing the large public sector debt. The 1989 US-Canada Free Trade

Agreement (FTA) and 1994 North American Free Trade Agreement (NAFTA) (see Box 17.1) have touched off a dramatic increase in trade and economic integration with the US. With its great natural resources, skilled labor force, and modern capital plant Canada can anticipate solid economic prospects in the future. The continuing constitutional impasse between English- and French-speaking areas is raising the possibility of a split in the federation, making foreign investors somewhat edgy (<http://www.photius.com>).

Around September 1998, the Canadian dollar had reached an all-time low of less than 65 cents against the U.S. dollar. However, since then, it has steadily climbed upward, and recently had an amazing run, touching about 80 cents against the U.S. dollar. The recent success of the Canadian dollar is driven largely by the engagement of the U.S. in the Iraq War, the huge deficit of the fiscally imprudent US Administration, and what could be argued is the battering of the U.S. employment outlook by such trends as outsourcing, and high immigration. However, even the height of the Canadian dollar, which was reached around October 2004, compares unfavourably to the historical record. The value of the Canadian dollar has quite commonly been in the 85 to 90 cents (US) range.

Box 17.1: Canada and the North American Free Trade Agreement (NAFTA)

In January 1994, Canada, the United States and Mexico launched the North American Free Trade Agreement (NAFTA) and formed the world's largest free trade area. In addition, NAFTA has established a strong foundation for future growth and has set a valuable example of the benefits of trade liberalization.

The North American Free Trade Agreement (NAFTA) has brought economic growth and rising standards of living for the people of all three-member countries since 1994. As well, by strengthening the rules and procedures governing trade and investment throughout the continent, NAFTA has proved to be a solid foundation for building Canada's future prosperity.

NAFTA has enabled both Canada and Mexico to increase their exports to the United States. Canadian manufacturers now send more than half their production to the U.S., while Mexico's share of the U.S. import market has almost doubled from 6.9% in pre-NAFTA 1993 to 11.6% in 2002. Manufacturers in all three countries are better able to realize their full potential by operating in a larger, more integrated and efficient North American economy. In 2002, Canada was the most important destination for merchandise exports from 39 of the 50 U.S. states. Following a final tariff reduction between Canada and Mexico, which took effect on January 1, 2003, virtually all trade in the NAFTA region has flowed tariff-free.

Canada is a successful trading nation. Her exports account for over 40% of total gross domestic product—a higher proportion than for any other G7 country. An estimated one in four jobs in Canada is linked to her success in global markets. NAFTA has played a significant role in that achievement. Today, 86.6% of total merchandise exports go to NAFTA partners. And close to 2.3 million jobs have been created in Canada since 1994, representing an increase of 17.5% over pre-NAFTA employment levels.

Source: <http://www.dfait-maeci.gc.ca>

17.4 Emergence of Economic Nationalism

The movement of economic nationalism in Canada was aimed at achieving greater control by Canadians of their own economy. The movement, which was a result of the foreign control of the Canadian economy, had two main separate areas of concern.

- a) **Protectionism in trade** - It was, in fact, a consequence of the National Policy of 1879, which was to encourage the creation of an industrial base in Canada by protecting small industries against the competition of larger and more established firms. Similarly, protectionism in trade was to establish

a system of tariffs to favour domestic production of goods and to discourage imports.

- b) **Foreign Controls** - The second area of concern related with the ownership of Canadian business by foreigners. It was a post-World War II phenomenon.

After World War II, there was a rapid increase of foreign ownership in the Canadian economy, which was linked to the rise of multinational corporations. A number of multinationals started their branch plants or subsidiaries inside Canada. As the ownership of these foreign corporations increased, there was an increased concern shown especially by the economic nationalists who, as a result, demanded legislation to monitor the activities and check the growth of foreign ownership in the Canadian economy. But there was another group, which was in favour of “free and unhampered” trade with all nations. This view was naturally based on the doctrine of economics known as the law of comparative advantage. The argument is that “economic growth will be maximised when government restraint is minimised and all countries specialise in the goods they produce best and trade freely with each other”. Keeping this doctrine in mind, a condition also laid down for foreign companies that “foreign-owned firms would succeed in establishing themselves in Canada only to the extent that they could produce their goods more cheaply than local firms, thus benefiting Canadian consumers and the Canadian economy” (*The Canadian Encyclopedia* 2000: 716). This argument was based only competitive economic environment with the prevalence of free markets but it was questioned by the economic nationalists, who saw the presence of the multinationals and the American firms as not healthy for the small industries of Canada. The concerns of economic nationalists were articulated in a series of four government-sponsored reports drawn up over the past several decades.

a) **The Gordon Commission**

The first report on Canada’s Economic Prospects (1955-1957) was established as a result of increased foreign ownership in the Canadian economy. It was named Gordon Commission after its Chairman, Walter L. Gordon. The growth of foreign direct investment was pointed out and it was also felt that “legitimate Canadian interests” were being compromised in the process. The report recommended that Canadians be permitted at least part ownership in foreign-owned subsidiaries operating in Canada.

Unfortunately, the report did not receive much attention and the general argument was that “Canada and Canadian workers in particular would benefit by the removal of all restrictions to trade and foreign direct investment, for nothing would raise the level of economic activity and boost incomes more rapidly”.

In the 1960s, a new wave of economic nationalism emerged which ultimately led to three more government-sponsored reports in the late 1960s and early 1970s, which described various problems created by foreign-owned subsidiaries operating in Canada.

There were a number of problems. For instance Canadian branch plants not only lacked the facilities to conduct research and development but also lacked full-fledged marketing and purchasing departments because these functions would often be managed by the parent firm in the US or Europe. The other major problem was related to management. Since the companies were directed from abroad, Canadian managers and management were not able to develop to their full potential. We can infer from the above that dependence on various US capabilities was slowly being built into the structure of Canadian industry, leaving it less able to adapt to change and international competition. Moreover, the lack of Canadian directors on the boards of foreign-owned subsidiaries led to less number of orders for Canadian companies. A number of policies were recommended in response to these various problems.

b) **The Watkins Task Force**

In its report published in 1968, it recommended the “creation of a special agency to co-ordinate government policies and programs dealing with multinational corporations”. To monitor the behaviour of these firms by providing more information on their activities was one of the tasks of the agency.

Reflection and Action 17.4

To what extent the MNCs should be allowed to trade in any country? Whether it should be free trade or ‘restrained trade’? Discuss.

c) **The Wahn Report**

This report was published in 1970 and made a suggestion that Canadians should attempt to secure 51% ownership in foreign firms and laws should be made so as to “countervail American extraterritorial jurisdiction. These laws would effectively make it illegal for corporations operating in Canada to refuse legitimate export orders from any country, regardless of the nature of that country’s diplomatic relations with the US. It also proposed that any future takeovers of Canadian business by foreign-owned firms should require the consent of a control bureau such as the one outlined by the Walkins Report, and that certain “key sectors” of the economy should be identified “where no further takeovers would be allowed” (Ibid: 716).

d) **The Gray Report**

The Gray Report, published in 1972, also known as *Foreign Direct Investment in Canada*, recommended the establishment of a “screening agency” and also specified the particular areas to be permitted or forbidden for foreign direct investment.

These reports, in a way, formed the basis for nationalist sentiment in Canada in the 1970s. In 1974, the Foreign Investment Review Agency (FIRA), based on the recommendations of the Watkins, Wahn and Gray Reports, “began to review all proposals for foreign takeovers of existing business or the creation of new foreign-owned businesses in Canada, for the purpose of ensuring maximum benefits to Canadians from these enterprises. FIRA was structured very closely upon the recommendations of the Gray Report, and Herb Gray became its first Chairman (Ibid: 717).

Due to the influence of the economic nationalism movement, in 1980 the National Energy Program (NEP) was established by the Liberal government to monitor the security of Canada’s energy supply and to provide Canadians with the opportunity to increase their ownership of the energy industry.

In a nutshell, we can say that economic nationalism in Canada can best be understood in the context of Canadian dependence on the U.S. In addition to economic regulation, social and cultural regulation has also been used to promote national unity and cultural identification.

17.5 Macdonald Commission: Future Economic Prospects

This Commission so far is the largest in Canadian history. Appointed in 1982 to examine the future economic prospects of the country and the effectiveness of its political institutions, it was chaired by Donald S. Macdonald, a former Minister of Finance. The Commission also included 12 other Commissioners who represented diverse sections of Canadian society. The three volume report, released in September 1985, made a number of recommendations, reflecting three underlying themes: First, the report emphasised that Canada should

maintain an adaptive economy capable of adjusting rapidly to international economic changes and new technologies. Greater reliance on market mechanisms, as opposed to government intervention, and a “Free Trade” agreement with the US were the hallmarks of this theme. Second, while the Commission agreed that the overall scope of the “Welfare State” should be maintained, the report recommended reforms to important income security programs to ensure greater economic efficiency and social equity. Third, the Commission reaffirmed the traditional model of Parliamentary government, but recommended the adoption of an elected Senate to sensitise the federal government more fully to the aspirations of Canada’s diverse regions. (*The Canadian Encyclopedia* : 718).

Despite its recommendations and substantial support it received from the business community, governments and the media, the report was criticised by the labour movement, nationalist groups and social activists.

Between 1984 and 1999, though some segments of the population enjoyed increases in wealth, the ground reality was that, wealth distribution in Canada became more unequal. We can analyse the present economy of Canada by taking into account a number of social and economic indicators.

17.6 Economic and Social Indicators

a) Goods and Services

The best way to describe the Canadian economy is to examine what kind of goods and services they produce and consume, what sort of jobs they do, how much they earn, and whom they work for and trade with.

Canadians have long been famous to themselves (but not to others) as “hewers of wood and drawers of water” (Ibid: 652), and the country’s development was initially motivated by a desire to exploit the country’s natural resources. At the same time it is also true that while the resource industries still account for a significant share of overall economic activity, in Canada, as in other developed countries, most output is produced in the manufacturing and service sectors. In 1997 manufacturing accounted for 18% of overall Canadian output, while agriculture and the resource industries - forestry, fishing and trapping, mining and petroleum, and electric power, gas and water - together accounted for under 15%. Canada has a larger service sector and smaller manufacturing sector. In 1997, 73% of workers were employed in the service sector, with 15.5% in manufacturing and only 5.1% in agriculture and natural resources.

b) Nature of work

Another way to describe Canadian economic activity is to look at the kinds and amounts of work Canadians do, not at what they produce. The distinction between what is produced and the type of work done to produce it is often forgotten but, of course, is crucial. Moreover, mechanisation has also resulted in the number of direct production workers. The number of Canadians who actually hew, draw, drill or farm for a living is minuscule, while 7 out of 10 Canadians now work in white-collar occupations. At the same time, there has been a dramatic increase in the rate of participation - from 55% in 1946 to 64.8% in 1997, which is mainly due to the participation of women into the labour force. The female participation rate increased from 24.7% to 57.5% while the male rate declined from 85.1% to 72.5%, the main factors responsible for this increased rate of female participation are — improved methods of birth-control, the invention of labour-saving home appliances, change in attitudes, the growth of public sector, etc.

But the participation-rate has been less successful in checking the unemployment rate that has risen from an average of 5.2% in the 1960s to 6.7% in the 1970s, to 9.9% between 1980 and 1986. These are two main factors responsible for rise in unemployment rate. On the one hand, it is believed

that due to unemployment insurance program, many people prefer to undergo “periodic spells of unemployment”, and that there are many more secondary workers - women and young people, mainly - who presumably are not as desperate for employment as was the archetypical worker of the 1950s, the male head of a household in which no one else earned an income. On the other hand, the unemployment rate for prime-age males has also been creeping up over the last 2 decades” . But from 1996, the unemployment rate has been decreasing from 9.6% in 1996, 9.1% in 1997 to 7.6% in 2003 (See Table 17.1).

Table 17.1: Social Indicators

	1996	1997	1998	1999	2000	2001	2002	2003
LABOUR FORCE ¹								
Labour force ('000)	14,900	15,153	15,148	15,721	15,999	16,246	16,689	17,047
Total employed ('000)	13,463	13,774	14,140	14,531	14,910	15,077	15,412	15,746
Men	7,346	7,508	7,661	7,866	8,049	8,110	8,262	8,407
Women	6,117	6,266	6,479	6,665	6,860	6,967	7,150	7,339
Workers Employed Part-time(%)	19.2	19.1	18.9	18.5	18.1	18.1	18.7	18.8
Men	10.8	10.5	10.6	10.3	10.3	10.4	10.9	11.0
Women	29.2	29.4	28.8	28.0	27.3	27.1	27.7	27.8
Involuntary Part-time	35.0	31.1	29.2	26.7	25.3	25.8	27.0	27.6
Looked For full-time work	-	10.6	10.0	9.0	7.4	7.5	8.2	8.9
% of women employed whose youngest child is under 6	15.9	15.6	15.0	14.7	14.3	13.7	13.4	12.9
% of workers who were self-employed	16.1	17.1	17.2	16.9	16.2	15.3	15.2	15.3
% of employed working over 40 hours per week ²	21.2	18.9	18.9	18.4	18.0	17.5	16.9	16.6
% of workers employed in temporary/ contract positions	-	9.4	9.8	10.0	10.5	10.9	11.0	10.5
% of full-time students employed in summer	47.9	45.7	47.2	48.8	50.9	51.3	52.3	53.1
Unemployment rate (%)	9.6	9.1	8.3	7.6	6.8	7.2	7.7	7.6
Men aged 15-24	16.9	17.1	16.6	15.3	13.9	14.5	15.3	15.6
Men aged 25-54	8.9	8.0	7.2	6.5	5.7	6.3	6.9	6.6
Women aged 15-24	13.7	15.2	13.6	12.6	11.3	11.0	11.8	11.9
Women aged 25-54	8.5	7.6	6.9	6.3	5.8	6.0	6.3	6.4
Population with high school or less	12.4	12.1	11.2	10.3	9.3	9.6	10.2	10.2
Population with postsecondary completion	8.1	7.4	6.5	5.9	5.2	5.8	6.0	5.9
Population with university degree	5.2	4.8	4.4	4.3	3.9	4.6	5.0	5.5
EDUCATION								
Total enrolment in elementary/secondary schools ('000)	5,415	5,386	5,370	5,442	-	-	-	-
Secondary school graduation rate (%)	76.4	76.3	76.0	76.3	77.1	76.9	-	-
Postsecondary enrolment ('000)								

Development, Displacement and Social Movements	Community College, full-time	397.3	398.6	403.5	408.8	-	-	-	-
	Community college, part-time	87.1	91.6	9.14	85.4	-	-	-	-
	University, full-time ³	573.6	573.1	580.4	588.4	605.2	-	-	-
	University, part-time ³	256.1	249.7	246.0	255.4	256.4	-	-	-
	% of population 18-24 enrolled full-time in postsecondary	34.6	34.3	34.4	34.4	-	-	-	-
	% of population 18-21 in college	24.7	24.6	24.7	24.6	-	-	-	-
	% of population 18-24 in university ³	20.4	20.2	20.3	20.4	-	-	-	-
	Community college diplomas granted ('000)	85.9	91.4	88.4	-	-	-	-	-
	Bachelor's and first professional degree granted ⁴ ('000)	128.0	125.8	124.8	126.4	128.0	-	-	-
	Agriculture, biological sciences	9,288	9,664	10,079	10,307	10,283	-	-	-
	Education	21,421	20,638	19,374	20,352	20,779	-	-	-
	Engineering and applied sciences	9,415	9,138	9,255	9,393	9,831	-	-	-
	Fine and applied arts	4,142	4,105	4,276	4,198	4,367	-	-	-
	Health profession	8,633	8,837	8,620	8,679	8,527	-	-	-
	Humanities and related	15,889	15,014	14,721	14,373	14,221	-	-	-
	Mathematics and physical sciences	7,005	7,091	7,239	7,537	8,527	-	-	-
	Social sciences	48,422	47,751	4,760	47,912	47,471	-	-	-

Sources: Statistics Canada, Labour Force Survey, *Education in Canada*, 2000 (Catalogue no.81,229) and Centre for Education Statistics

c) Education

Education plays the important role in the development of individuals and society, of empowering people, enhancing their decision-making power.

It is known that the level of education influences the types of jobs people obtain and the income they receive. As per the 2001 census, people with a bachelor's degree were more likely to have higher earnings than high school graduates.

Another trend was also observed related to education. As more and more jobs required post-secondary education, young men and women became more likely to extend their stay in parent's home, and delay marriage and starting their own families (*Canadian Social Trends 2003: 19*).

Data from the Census show that Canadians have continued to upgrade their education in order to get good jobs to support themselves and their families. It is not surprising that the Canadian population now enjoys better education than ever and Canada ranks highest among the Organisation for Economic Cooperation and Development (OECD) countries in the proportion of its working-age population with college and university education combined (*Ibid*).

In addition to work-force, education, job-opportunities, etc., there are other indicators which determine the living standards or economic growth of any country.

Reflection and Action 17.3

Taking stock of the economic and social indicators of development assess the present development trend of Canada.

When it comes to education, we can observe that the educational achievements acquired by Canadians over the past 50 years has enormous. The proportion of individuals with a university degree, for example, surged tenfold, from 2% of the population aged 25 and above in 1951 to 20% in 2001, while the share of Canadians with less than grade 9 plunged from 55% to 11%. The trend towards university education was evident during the 1990s: the proportion of individuals aged 25 and over with a university degree rose from 15% to 20% between 1991 and 2001 (*Canadian Social Trends* 2003: 19).

Three development patterns - a global and technologically advanced economy where wealth is created by increasingly well-trained workers, the arrival of highly skilled immigrants in the 1990s and uncertain labour market conditions during the recessions of the early 1990s - emphasised higher education.

d) Living Standards in Canada

Canadians enjoy a high standard of living. “The usual estimates place Canadian GP per capita 5% to 15% below the US level and roughly equal to that in the North European democracies.”

In the fourth quarter of the year 2003, economic growth advanced 0.9%, with exports being the main contributor to growth. Canadians continued to spend more on travel services and demand for industrial goods and materials strengthened 3.9% as manufacturers’ activities increased.

Consumer spending was the greatest contributor to growth in 2003. Growth in personal spending (+3.3%) matched the average growth of the last decade and was similar to the growth of 2002.

Furniture and floor covering sales remained strong (+8.1%) influenced by the housing boom but slowed from the previous year (*Statistics Canada Catalogue* 2001: 15).

Labour income grew 3.4%, the lowest growth since 1996. Although employment growth was weak at the beginning of 2003, a surge at the end of the year boosted labour income in the fourth quarter. Employment growth in the services-producing industries exceeded growth in the goods-producing industries. Disposable income grew by 2.8%, about half of the increase in personal expenditures (nominal basis). As a result, saving by the personal sector plummeted and the saving rate fell to 2.0%, the lowest in decades. Net household borrowing increased \$43 billion in 2003 following an increase of \$ 16 billion in 2002 (Ibid: 15-16). We should not, however, conclude from the above analysis that Canada represents a homogeneous society based on equality. The reality points towards a number of regional problems related to unequal economy. The five traditional regions of Canada have significantly different industrial structures. The manufacturing sector is the most important field of activity in Ontario and Quibec, agriculture, petroleum and mining in the Prairies, fishing and agriculture in the Maritimes, and forestry and fishing in British Columbia.

Reflection and Action 17.4

Is there any relationship between “development” and “equality”? Canada is one of the developed countries of the world but does this refer to equal economy as well? Explain.

These regional disparities or regional differences in per capita income have remained more or less constant, inequalities among the incomes of individual Canadians are in fact much greater. Although some people enjoyed increases

in wealth over the 1984 to 1999 period, others did not, with the result that during this period, wealth distribution became more unequal. A study (Reme Marissette, Xuelin Zhand and Marie Drole, "Are families getting richer"?, *Canadian Social Trends* 2002) conducted to analyse wealth inequalities concluded that in fact the trend was more towards unequal wealth distribution. Some groups, such as young couples with children and recent immigrants, have suffered substantial declines. The growing proportion of young couples with children who have zero or negative wealth suggests that a non-negligible fraction of today's young families may be vulnerable to negative shocks, having no accumulated savings that can provide liquidity in periods of economic stress (Ibid: 19).

There is a need to modify policies aimed at redistribution, keeping in mind the social framework of society, i.e., there should be more equality in distribution of wealth. But the same trend is evident in other developed countries.

Moreover, Canada is not only a world leader in telecom innovation, connectivity, software development and the Internet economy and is also popular for its wood products for construction, renovation and interior decoration.

17.7 Relations with India

India is an important trading partner of Canada. "Bilateral trade between India and Canada almost tripled in the last decade to reach C\$ 2.2 billion in 2003. India has been and remains one of Canada's priority markets and an emerging source of foreign direct investment into Canada. Exports to India grew from \$674 million in 2002 to \$ 733 million in 2003, an increase of 8.7%. Significant increases were recorded for paper, aircraft, fertilizer, iron & steel and textiles (sports wear). Canada's main exports to India include telecom equipment, peas, pulses, potash and wood-pulp". Indian exports to Canada increased from \$ 1.3 billion in 2002 to \$ 1.4 billion in 2003. Exports to Canada are predominantly apparel, yarns and fabric, precious stones, spices, leather items and frozen seafood.

17.8 Conclusion

Canada one of the most industrialised countries in the world ranks fourth in terms of human development. It is one of the strongest and healthiest among the seven leading industrial countries of the G-7, which consists of the U.S., the United Kingdom, France, Germany, Italy, Canada, and Japan. Between 1997 and 2004, Canada experienced the strongest growth in employment among the G-7 countries. The driving forces behind recent economic developments in Canada are global in scope, such as rising energy prices, and have contributed to the appreciation of the Canadian dollar. The earlier sections of this unit explore the economic scenario in the country. Along with the economic development of the country people and the government of Canada gives equal importance to the social and environmental development of the country. In an attempt to develop into knowledge-based economy Canada emphasises the need to provide individuals with knowledge skills and competencies to participate effectively in society and the economy. The later half of the unit looks into the social sectors of development in Canada.

17.9 Further Reading

James H. Marsh (ed) 1988. *The Canadian Encyclopedia*. Second Edition, Volume 1. Hurtig Publishers: Edmonton

Walz, P. Eugene (ed) 1999. *The Canadian Encyclopedia*. McDelland and Steward Inc.: Toronto

Unit 18

Zimbabwe

Critique of Knowledge
Society

Contents

- 18.1 Introduction
- 18.2 Historical and Socio-economic Background
- 18.3 Southern African Regional Perspective
- 18.4 Contemporary Political Scenario
- 18.5 Zimbabwe's Economic Development Policies (1991-2001)
- 18.6 Impact of Economic Structural Adjustment Policies: Macro-Economic Crisis
- 18.7 Poverty Alleviation Strategies
- 18.8 Indigenisation of the Economy
- 18.9 Post Independence Development Scenario — An Overview
- 18.10 Conclusion
- 18.11 Further Reading

Learning Objectives

This unit will enable you to:

- describe a historical and socio-economic overview of Zimbabwe;
- explain the contemporary socio-economic and political scenario of Zimbabwe; and
- illustrate the developmental initiatives in Zimbabwe.

18.1 Introduction

The country of Zimbabwe is one of the most economically developed on the African continent, richly endowed with natural resources. The former British colony of Southern Rhodesia became the independent Republic of Zimbabwe on 18th April 1980 after a prolonged war of liberation. Despite its youth, the country has achieved a level of economic development uncharacteristic of the sub-Saharan African nations. Second only to South Africa in economic development, Zimbabwe's economic system is one indicative of a transitional country, a country making the transition from dependency underdevelopment to self-reliant industrialisation.

This unit begins with a discussion of the demographic characteristics, historical and socio-economic background of the country of Zimbabwe. A comparison of various Southern African regions has been made to understand Zimbabwe within the region's perspective. The contemporary social, political and economic scenario of the country has been discussed at length. This unit will help you understand the state of development in Zimbabwe

18.2 Historical and Socio-economic Background

Geography

Zimbabwe is a landlocked country in the southern, sub-Saharan area of the African continent bordered by South Africa to the South, Botswana to the West, Mozambique to the East and Zambia to the North. With an area of 391,090 square km, Zimbabwe is only slightly larger than the state of Colorado. Harare is Zimbabwe's capital and the largest city with a population of 1,100,000.

Containing vast amounts of rare mineral resources and possessing a favorable climate for growing crops, Zimbabwe’s economy is drawn equally between the mining of minerals and the production of staples and cash crops.

People

Zimbabweans are comprised of two primary ethnic groups, the Shona, comprising 74% of the population and Ndebele comprising 20%. Other ethnic black groups and Asians make 4% of the population while whites make up just over 1% of the population. The official language of Zimbabwe is English. Other languages include Ndebele/Sindebele, Shona and numerous tribal dialects.

Box 18.1: Facts At A Glance	
Official name	: Republic of Zimbabwe
Capital	: Harare
Area (Thousands of km²)	: 391
Population (millions)	: 12.9 (2003)
Population density (per km²)	: 33 (2003)
Urban population (%-2001)	: 36
Gross National Income (GNI) (per capita)	: US\$470 (2002)
GNI purchasing power parity (PPP) (per capita)	: US\$2,280 (GDP-2001)
Structure of GDP (2001)	:
Agricultural : 18%, Industry : 24%, Services: 58%	
Human Development Index (HDI) ranking (2004):	147 th of 177 countries
Gender-related Development Index (GDI) ranking (2004):	147 th of 177 countries
Life expectancy at birth 2004	: 33.1
Mortality rate under 5 years old (per 1,000)	: 123 (2002)
Adult literacy rate (2004)	:
Total : 89%, Men: 93%, Women : 85%	
Sources: UNDP, Human Development Report 2004, UNFPA, The State of World Population 2003, UNICEF, The State of the World’s Children 2004, World Bank, World Development Report 2004, WWF, Living Planet Report 2002.	

History

Zimbabwe’s history dates back to the 9th century A.D., the believed period in which many great buildings were built, buildings indicative of an early and great civilisation. Of the many sites the most impressive is the Great Stone House or Great Zimbabwe, the source of the country’s name. Despite the impressive nature of the Great Zimbabwe and other building sites, it is believed that the civilisation that created them did not survive to see the new millennium.

About 900 years after the construction of the Great Zimbabwe many other sites were built, as Zimbabwe became the object of British colonialism in 1888. It was in this year that John Cecil Rhodes obtained mineral rights for the British throne and began the process of bringing Zimbabwe to Great Britain. Due to his accomplishments the throne honored Rhodes by lending his name to the area, now calling it Rhodesia. Although a colony, throughout the existence of its charter Rhodesia enjoyed self-governing and perceived autonomy. This allowed for the emergence of factions interested in developing Rhodesia’s mineralogical and agricultural potential for the purpose of stimulating domestic growth only. Although growth would benefit the country as a whole, it would benefit whites specifically by design. The perceived autonomy and racist nature of Rhodesia would have had great implications late in the country’s political future.

Box 18.2

Zimbabwe is home to the Victoria Falls, regarded as one of the natural wonders of the world, the stone enclosures of Great Zimbabwe - the remnants of a past empire, and to herds of elephants and other games roaming vast stretches of the wilderness.

Politics

By 1960 Rhodesia was a country of two factions: the ruling white minority who wanted complete independence from the UK and the indigenous African majority who wanted greater control of their country and an end to institutional racism. With a dilapidating economy and African discontent with the white ruling minority, Rhodesia fell into a period of economic and political turmoil breeding uncertainty and general political instability. In the mid 1960s the white minority declared a Unilateral Declaration of Independence. The idea was to be free from pressure from U.K. that was “insisting” that the African majority must have a say in the government.

It was in 1980 that a free democratic election was held in Rhodesia for the first time with Robert Mugabe’s Zimbabwe African National Union (ZANU) achieving an absolute majority. On April 18, 1980 the British Government formally granted independence to the former Rhodesia and four months later Zimbabwe was inducted as a member of the United Nations.

Zimbabwe’s political system as it exists to this day as democratic and majoritarian was implemented through a parliamentary system. Robert Mugabe remains President and utilises a foreign policy of non-alignment. Despite this Zimbabwe is a member of the Organisation of African Unity (OAU) and performs primary trade with its neighboring African state, South Africa. It is the period from 1980 to the present that is most fundamental in understanding Zimbabwe’s economic system because it is in this period that Zimbabwe’s economic structure best reveals itself.

Economy

Zimbabwe’s economic structure is one of great potential. In the years prior to its Independence Zimbabwe put great emphasis on developing its mining industry and as a result it is one of the most developed in Africa. The mining of such minerals as copper, nickel, gold, and metallurgical-grade ferrochromite is responsible for nearly half the country’s GDP. The other half of Zimbabwe’s GDP is generated primarily in the agricultural sector with the most of the output produced at the subsistence level by most of the population.

Zimbabwe’s mineral export industry is key to the nation’s developmental success. Although small, the country’s mining industry is modernised and strategically developed towards exports. Many paved roads link mines and other industries together that complement mining such as heavy machinery. Also, the areas within the vicinity of the mines are highly developed and urbanised to ensure an adequate and able workforce. Finally, Zimbabwe participates in non-aligned trade for non-strategic products such as textiles. This greatly reduces the country’s chance of becoming dependent on a trade partner.

Reflection and Action 18.1

Give a brief historical perspective to understand the present Zimbabwe.

18.3 Southern African Regional Perspective

In the past decade, only two developing regions - East and South Asia - achieved per capita income growth of above 2 percent. Per capita income growth was less than one percent in Latin America and negative in all other developing country regions. Sub-Saharan Africa was the worst performing region, with per capita income declining by nearly 3 percent annually.

This dismal record stands in contrast to the latest IMF estimates, which point to an acceleration of growth in sub-Saharan Africa, from 2.1 percent in 1994 to 5.0 percent in 1995 and further to 5.5 percent in 1996. Assuming that these projections are accurate, sub-Saharan growth is now well above that of the world economy and only marginally behind the average for developing economies as a whole. The southern Africa region - and particularly South Africa and Zimbabwe - are chiefly responsible for this resurgence.

Southern Africa has in recent years witnessed a remarkable graduation from political turmoil towards multi-party democracy and improved governance. At the same time, economic reforms and structural adjustment policies are producing a gradual convergence of economic policies. Across the region, there is a growing recognition of the need to reduce government intervention and enhance the role of the private sector. These developments point to a new post-apartheid climate of peace and security in Southern Africa, with enhanced prospects for more rapid longer-term economic growth.

Viewed from the perspective of the major international capital markets and trading blocs, Southern Africa represents a promising market. At US \$140 billion, the regional GDP remains relatively small but the potential for growth is considerable. Southern Africa represents a unique regional mix comprising the sophisticated Southern African economy, a large population hinterland, and a vast untapped natural resource base with generally under priced assets. This potential has not gone unnoticed, and a substantial turnaround in net foreign direct investment (FDI) flows to the region has already been recorded. Since 1994, both South Africa and Zimbabwe have recorded much larger than expected net inflows of foreign direct investment.

The basic data describing the Southern African economy (see table 18.1) bears comparison with those of other large and “emerging” economies around the world. The eleven “core” economies of the region represent a population that is already half as large as that of the United States, and will probably equal that of the United States within thirty years. Its Gross Domestic Product exceeds that of Indonesia and is about two-thirds as large as India. Including South Africa, the region's per capita GNP (including South Africa) is considerably higher than the East Asia and Pacific average, while if South Africa is excluded, the GNP per capita is slightly below that of India. Notwithstanding the fact that incomes are at least as uneven as anywhere else in the world, there is a sizeable middle class (defined as household income above US \$2,484) in Southern Africa.

Table 18.1: Southern African Development Community (SADC): Basic Data (1993)
Rankings by Population, GDP and Per Capita GDP

Population (In Millions)		GDP (In billions of U.S. dollars)		Per Capita GDP U.S. dollars	
South Africa	39.7	South Africa	105.64	Mauritius	3,030
Tanzania	28.0	Angola	12.33	South Africa	2,980
Mozambique	15.1	Zimbabwe	4.99	Botswana	2,790
Zimbabwe	10.7	Botswana	3.81	Namibia	1,820
Malawi	10.5	Zambia	3.69	Swaziland	1,190

Angola	10.3	Mauritius	2.78	Angola	1,200
Zambia	8.9	Namibia	2.11	Lesotho	650
Lesotho	1.9	Tanzania	2.09	Zimbabwe	520
Namibia	1.5	Malawi	1.81	Zambia	380
Botswana	1.4	Mozambique	1.37	Malawi	200
Mauritius	1.1	Swaziland	1.05	Tanzania	90
Swaziland	0.9	Lesotho	0.61	Mozambique	90
Total:	130.0	Total:	142.27	Average:	1,094
Excluding South Africa					
Total:	90.3	Total:	36.63	Average:	406

Source: World Development Report 1995

The size of the South African economy renders it an undeniably important regional force. Although its population represents only 40 percent of Southern Africa, its gross domestic product accounts for about 75 percent of the sub-continent's total production. Up to now, there have been political barriers to South Africa's integration into the region, but these are being dismantled. South Africa's democratic transition has elicited a lifting of trade and financial sanctions. Corresponding to this improved access to international markets has seen a re-evaluation of the economic strategy within South Africa. The new government is likely to continue the shift from inward-looking policies determined to use trade as an engine of growth.

Reflection and Action 18.2

Discuss the Southern African economy emphasising Zimbabwe's role within it.

18.4 Contemporary Political Scenario

Zimbabwe is a de jure multiparty democracy with a 150-seat House of Assembly, of whom 120 members are elected in the constituency election every five years. The remaining 30 seats are allocated by the President to non-constituency MPs and District Governors. The President is elected by a separate presidential vote, which has to take place every six years. As expected, Zimbabwe African National Union - Patriotic Front (ZANU-PF) won an overwhelming majority in the March 1995 general election; and the incumbent President, Robert Mugabe, faced only minor opposition at the presidential polls. Although Zimbabwe is a de jure multiparty democracy, there are only four members of the ruling party in Parliament.

At the time of its independence in 1980, Zimbabwe was characterised by a highly inequitable distribution of access to and ownership of resources. The skewed distribution of income and ownership of economic assets including land, housing, business and other wealth instruments was compounded by acutely uneven access to social services including education and health. The most apparent aspect of inequity was its racial character.

Thus, the legitimacy and power base of the government was built not only on a nationalist and anti-racist platform, but also on an explicit commitment to a change from capitalism to socialism. This commitment established an agenda that sought to redress social, economic and racial disparities, and to further extend the state's policies by reducing the power and influence of the private sector.

**Development, Displacement
and Social Movements**

Despite the socialist rhetoric, the extent of change including change in ownership was in fact quite limited. Government focused its attention on wage and price controls, and social services, mainly in the spheres of health and education. The productive sectors were not compulsorily taken over, rather state takeover of enterprises through voluntary disinvestments, or state participation in new ventures, defined the operating policy of the early post-independence era.

As the 1980s progressed the gap between the socialist ideals of the government and its policies increased steadily. Since 1991 the government has been implementing an IMF and World Bank supported economic structural adjustment program (ESAP). It is now clear that Mr. Mugabe himself and nearly all of his government are fully committed to the new path of structural adjustment.

These changes have led to a visible and functional pluralism in Zimbabwe, supported by a vigorous alternative to the government-controlled media. There have been no serious moves to suppress the alternative press, or any legitimate pressure group for that matter, and in recent years a number of key private sector lobby groups have become increasingly successful in influencing government policy.

Constitutionally, Zimbabwe is already a multiparty democracy so no changes can be expected there. However, ZANU-PF continues to completely dominate national politics and there is no apparent prospect of a political challenge to the ruling ZANU-PF party. As for Mr. Mugabe himself, he has managed to consolidate his position as both party leader and national President and there is no one within or outside the party who appears close to challenging his position.

The 1990s evidenced a warming in relations with the West in part because of the supportive role played by Zimbabwe as chairman of the U.N. Security Council during the Gulf war. In a departure from its past condemnation of Western intervention in Third World countries, Zimbabwe supported the condemnation of Iraq's invasion of Kuwait and voted in favor of military intervention. Zimbabwe also received international approbation by offering troops to support the UN peacekeeping effort in Somalia and by helping to prevent a potential standoff between the Third World and the West in the Security Council.

Although the country can hardly be said to be free of corruption, it has in general managed to avoid the large-scale and systematic forms of corruption found elsewhere on the continent. Most published country risk ratings assign low risk factors to Zimbabwe for political risk.

Reflection and Action 18.3

Assess the shift in the Zimbabwean government's economic and political policies in one decade since their accession to power.

**18.5 Zimbabwe's Economic Development Policies
(1991-2001)**

In 1980, Zimbabwe embarked on a programme of post-war reconstruction, which was supported by some foreign donors. In general terms, the reconstruction was successful as the economy was re-capitalised and reintegrated into the world economy. During the past two decades, Zimbabwe undertook several economic reform programmes. In October 1990, the Zimbabwe government succumbed to Western donor pressure and agreed to implement the five-year Economic Structural Adjustment Programme (ESAP) as a response

to the economic crisis, which had been afflicting the country since the 1980s. The measures introduced were:

- Removal of price controls;
- Removal of wage controls;
- Reduction of government expenditure;
- A 40% devaluation of the Zimbabwean dollar;
- Removal of subsidies on basic consumer goods;
- Liberalising the foreign currency allocation system;
- Removal of protection of non-productive import substituting industries and increased profit remittance abroad; and
- A radical restructuring of the various parastatals and other public enterprises.

Subsequently, in early 1991, the Zimbabwean government announced the Framework for Economic Reform (1991-95), which set out a time frame for reducing support to parastatals. The objective was the implementation of programmes for improving efficiency and management, as well as commercialisation and privatisation of public enterprises. Furthermore, in 1998, the Zimbabwe government launched the second stage of its economic structural adjustment programme, the Zimbabwe Programme for Economic and Social Transformation (ZIMPREST). ZIMPREST outlined macro-economic reforms through to the year 2000. The plan envisaged a real annual GDP growth of 6% until 2000 and a creation of 44,000 new jobs per year. To achieve such targets, savings and investments were expected to reach at least 23% of the GDP and the budget deficit reduced to fewer than 5%. ZIMPREST also sought improvements in the quality of democratic institutions; the pursuit of good governance; and the elimination of corruption. Thus political conditionalities were added to ZIMPREST.

18.6 Impact of Economic Structural Adjustment Policies: Macro-Economic Crisis

Since 1991 the Zimbabwean dollar has been devalued repeatedly and, after the crisis that started with the land restitution process, has become almost worthless. The generous liberalisation of the economy culminated in the lifting of protectionism. This opened the door of domestic industry to cheaper imports and resulted in the closing and downsizing of many labor-intensive industries. South Africa's decision to impose a tariff on Zimbabwe's textile exports exacerbated the situation. And the severe drought in the country significantly affected agricultural output, which is the main source of foreign currency. Thus, between 1991 and the year 2001, Zimbabwe's GDP declined culminating in a negative growth of -11.5%.

Value of trade relations with South Africa

Zimbabwe is South Africa's largest trading partner on the continent. The country largely exports primary goods to South Africa and is dependant on South Africa for fuel and electricity. The trading balance is in favor of South African exports of mainly manufactured products to Zimbabwe. South Africa's protectionism ensures that Zimbabwe's goods remain less competitive in South Africa and this has also contributed to the downturn in the latter's economy in the 1990s.

Unemployment

Unemployment is rampant and an exodus of young skilled professionals has been in progress for many years now with South Africa, Britain, North America

and even Australia being the preferred destinations. Economic policy reforms have thus resulted in declining employment opportunities. The fact that Zimbabwe is facing a rapidly increasing unemployment crisis is evident in the percentage drop of the total population formally employed, which dropped from 18% in 1965 to 112% in 1996.

Box 18.3: State of Unemployment in Zimbabwe

In 1990 Zimbabwe embarked on a programme of economic reform (ESAP) and 1991-92 saw one of the worst droughts in living memory - with close to 70% of the population living in the rural areas and dependent on agriculture for their livelihood, this constituted a major disaster. One result of these events was increased migration to the urban areas by people in search of employment. A further drought in 1995-96 compounded the effect. By 1995 the effects of the AIDS pandemic were becoming more visible and since then families have had to assume increased support systems, particularly for orphaned children, as breadwinners die. Worsening economic conditions plus ever increasing corruption and crime have been the norm since 1995. Today we frequently see newspaper articles stating that thousands have been retrenched, businesses are closing, unemployment is soaring, etc. Inflation has moved from 15% in 1990 to an all time high of 70% in October 1999 and 56% in 2000. (<http://uzweb.uz.ac.zw>). Zimbabwe's unemployment rate is set to reach an unprecedented 70% in 2002. The economic analysts said that it was imminent that failure by the economic stakeholders labour, business and government in creating opportunities to stimulate industrial expansion would lead to increases in unemployment.

Increased poverty

The income distribution in Zimbabwe is still one of the most unequal in the world: a survey on consumption shows that while the rate of consumption among the the richest 20% of the country's population is 55.7% the poorest 20% constitute only 4.6% (*Human Development Report* 2005).

The incidence of poverty has increased in Zimbabwe as a result of ESAP. The Poverty Assessment Study undertaken by the Zimbabwe Government in 1995 (*Zimbabwe* 1995) indicated that 62% of the population was living in poverty. According to the report 42% of the population belonged to households, which were below the 'food poverty line'; and 62% of the population belonged to households whose incomes were adequate to meet basic needs. In addition, the report indicated that the incidence of poverty was higher in rural areas, where 72% of households had incomes below the 'total consumption poverty line' compared to 46% in urban areas.

Political dissatisfaction

Cutbacks in public expenditure entailed the end of many public subsidies, set in motion the introduction of user fees for education and health, and meant that the poor could not afford these crucial amenities. This coupled with high inflation, rising costs of living and the decline in real wages, resulted in not only widespread poverty but also disillusionment with the present ZANU-PF regime.

Reflection and Action 18.4

What were the economic policies pursued by Zimbabwe? Also discuss the economic crisis and the reforms, which were undertaken to overcome the crisis.

18.7 Poverty Alleviation Strategies

The problem of poverty, and how to control and in the long term to eliminate it, has been a central issue in the development and planning discourse in Zimbabwe since 1980. Indeed, the policies already reviewed above sought to redress the inequalities of the past, but in the long term there was a political vision of an egalitarian society via "growth with equity", and more broadly

through the transformation of society from a settler colonial society to a socialist one, in which there would be no exploitation of man by man. That appeared to be the long-term project of the ruling party, Zimbabwe African National Union - Patriotic Front (ZANU-PF), and the independent government that came to power in 1980.

That project was no longer pursued with the introduction of the Economic Structural Adjustment Programme (ESAP) mentioned earlier. When ESAP was introduced, an important component was the Social Dimensions of Adjustments (SDA) and the Social Development Fund (SDF), which were set to deal specifically with what were considered as transitory negative effects of ESAP. However, the experience of SDA strategy and the drought of 1991/92 pointed to the “need to develop a more detailed strategy of Government actions to tackle a broad range of development issues”. This conclusion led to the formulation of the Poverty Alleviation Action Plan (PAAP), a comprehensive policy paper presented at the Consultative Group Meeting in Paris in December 1993.

Objectives of the Social Dimensions of Adjustments Programme (SDA) are to:

- a) Protect the poor and vulnerable groups from undue hardships resulting from structural adjustment through the short-term compensation schemes which take the form of direct welfare payments;
- b) Strengthen internal household and community level coping or survival mechanisms and strategies and thereby integrate these groups into the mainstream of the economic reform programme;
- c) Minimise costs to the fiscus through cost recovery programmes in education and health sectors while ensuring that education and health standards are not compromised, at the same time maximising participation and support from third parties, notably NGOs, employee organisations, employer organisations and local authorities and facilitating economic activity;
- d) Generally alleviate poverty and contribute to the improvement of the standard of living of the poorest members of Zimbabwean society.

Programme Design: The SDA has two major components, namely, the employment and training component as well as the social safety nets programme.

Employment Training and Programme: This programme was designed to alleviate the suffering of retrenched workers and persons with disabilities. Under this programme, a retrenched worker has two choices:

- i) If the individual is still young and would like to acquire some basic practical skills so that he/she can be re-employed within the changing and hopefully expanding economy, then he/she can opt for “hard skills training”.
- ii) If a retrenched person feels he no longer wants to be employed by anybody, but would like to be his own employer, then he can opt for the business skills training programme.

Social Safety Nets Programme: The social safety nets programme was designed to alleviate the sufferings of the vulnerable low-income groups and the poor adversely affected by the impact of price decontrol, reduced government expenditure and increased cost recovery. The scope of the programme includes:

- i) Education assistance. This involves the payment of school fees for those families earning less than Z\$400 per month and which cannot afford the fees which were introduced as a cost recovery measure.
- ii) Food Security. This involves direct cash subventions to the urban poor who can no longer afford to pay the new food prices (maize meal) that

have been brought about by price decontrol measures and removal of subsidies.

This programme is implemented through the Department of Social Welfare, which is sufficiently decentralised up to the district level. Since the programme is to benefit the poor and vulnerable, it implies that it has to proceed based on some form of targeting. Thus, the different components have different targeting and delivery mechanisms.

Box 18.4

Zimbabwe has one of the highest HIV/AIDS prevalence rates in the world, at 35% of the adult population. This is having a severe impact on the economy, leading to considerable additional expenditure for health care by household and government, lost opportunities, faltering human and long-term development, and reduced productivity and long-term growth.

Reflection and Action 18.5

How does Zimbabwe propose to combat the problem of poverty?

18.8 Indigenisation of the Economy

Indigenisation is the process of empowerment of native communities aimed at reducing the racial inequality in the ownership and management of economic resources. It is a multifaceted process, which includes:

- a) Creating conditions for growth and expansion of business already owned and controlled by indigenous people;
- b) Facilitating the creation of new business by indigenous people;
- c) Where occasioned by circumstances (e.g. sale) facilitating the transfer of ownership and control of business from non-indigenous to indigenous people;
- d) Increasing indigenous participation in joint ventures with foreigners or locals;
- e) Accelerating black advancement to effective management and policy making positions in non-indigenous owned business; and
- f) Expanding employment opportunities and targeting special attention to the rural areas in order to improve the social and material conditions of the indigenous people.

The policy seeks to empower the indigenous people, who were historically disadvantaged by 90 years of proactive (towards whites) economic and social policies. The policy refers to black advancement through a calculated process of affirmative action to be achieved through a Programme of Indigenisation.

Reflection and Action 18.6

Discuss the process of indigenisation of Zimbabwean economy.

**18.9 Post Independence Development Scenario –
An Overview**

Thus at Independence the Government of Zimbabwe gave social policy priority as a matter of concern to correct the imbalances inherited from colonialism. As a result of that thrust remarkable progress was scored especially in the areas of education, health, water supply and sanitation and in mitigating the effects of the recurrent drought. These successes were achieved because of:

- a) the political and philosophical objectives of social justice; and
- b) the need to dismantle the unequal, discriminatory practices and structures inherited from the colonial past.

The period 1980-1990 was characterised by significant progress in human resource and infrastructural development. Quality of life indices improved. Primary school enrolments rose by 83% and Child Immunisation expanded by 61%. Infant mortality declined by 29% and life expectancy increased from 55 to 59 years. The commendable expansion of social sectors between 1980 and 1990 was however made within the context pressing policy challenges. The social gains were not accompanied by economic growth and rising per capita income.

During the period 1980 to 1989 the population, at 3 percent per annum, grew at a faster rate than gross domestic product (GDP), at 2%. In the meantime, Private Sector investment fell as a share of GDP from 12% in 1985 to 8% in 1987. There was no foreign investment while declining primary commodity prices exacerbated a foreign exchange shortage. Various imbalances emerged in the financial, monetary, capital, and labor markets. In 1990 the economy was threatened by deepening cycles of low investment, low growth, a growing budget deficit, rising unemployment, inflation, and general economic decline.

Economic Structural Adjustment was introduced by the Government of Zimbabwe in October 1990 as a five-sector programme encompassing Trade, Monetary, Fiscal and Investment Policy Reforms, Deregulation and the Social Dimensions of Adjustment. The rationale for economic structural adjustment as a key component of economic policy was the perceived need to develop a policy framework for long-term economic development to be reflected through an expansion of the economy leading, through multiplier effect, to increases in employment and incomes, and thereby improving the standard of living and quality of the people.

In general, the government of Zimbabwe has been successful in redirecting public resources towards areas which are fundamental to long-term broad-based sustainable growth: human development; infrastructure serving the poor; public sector which is reasonably efficient and seen to act in the interest of the majority. There clearly are possibilities for improving both the efficacy – an ever more pertinent question in the light of the rapidly changing boundaries between the public and private sectors – and the efficiency of public sector resource use, and of improving the monitoring and adjustment of public sector interventions. The efficacy question is a difficult one to address because it deals to a large extent with the issue of trade-offs between equity and growth. While returns to investment in the poor often give high social rates of return, much of this is internalised by the poor through direct consumption or in the form of human capital accumulation, which will generate returns only many years later. It is therefore often difficult to measure the economic effects of many of these investments.

Overall, however, Zimbabwe has made impressive strides in the direction of more equitable socio-economic growth and development. The country's fundamental investment pattern provides the country with a good balance between the various forms of social capital for long-term sustainable growth. Though some difficult choices lie ahead – particularly, perhaps, regarding possible changes to land asset patterns – options exist which can ensure the financial sustainability of a growth pattern which will further improve the distributional outcomes, allowing an ever growing proportion of the population to participate in Zimbabwe's overall growth.

Reflections and Actions 18.7

What is the current political scenario of Zimbabwe? You may read the newspaper; visit the Internet to gather more information for writing answer.

18.10 Conclusion

The economic system of Zimbabwe, a comparatively young nation, is one indicative of a transitional country, a country making a transition from dependency underdevelopment to self reliant industrialisation and that is the significance of getting to know more about Zimbabwean society and their development path. The mineral richness of Zimbabwe, the home of great civilisations attracted British and they colonized the country in late 19th century. It remained as a British colony for almost one century. Zimbabwe's economic and attempts for social and human development were remarkable after it became independent in 1980. It's mineral export industry was the key to the developmental success of the country.

The initial sections of this unit deliberates on the demographic, historical and socio-economic background of the country of Zimbabwe as well as its comparative position in the South African region. In the succeeding sections the political, economic and social conditions of the post-independent Zimbabwe were discussed at length. We could see that the government of independent Zimbabwe thrust a social policy priority approach to correct the imbalances inherited from British colonialism. This facilitated remarkable progress in social and human development fronts. There was a change in the policy thrust with the adoption of economic structural adjustment programme following an economic crisis in the country in late 1980s. The unit also looks into the impact of the economic structural adjustment policies especially with regard to the state of social, human and sustainable development. The government initiatives such as social development fund and social dimensions of adjustment, to tackle a broad range of development issues are also discussed in this unit. Finally it gives an overview of the post independent development scenario of Zimbabwe.

18.11 Further Reading

Makumbe, John 1996. *Participatory Development: The Case of Zimbabwe*. University of Zimbabwe Press: Harare

Nhema, A.G. 2002. *Democracy in Zimbabwe: From Liberation to Liberalisation*. University of Zimbabwe Publications: Harare

Unit 19

Brazil

Critique of Knowledge
Society

Contents

- 19.1 Introduction
- 19.2 A General Background
- 19.3 People and History
- 19.4 Brazilian Economy
- 19.5 Brazil's Trading Partners
- 19.6 Government and Politics
- 19.7 Environmental Issues
- 19.8 The Social Challenges
- 19.9 Conclusion
- 19.10 Further Reading

Learning Objectives

This unit will help you:

- describe the demographic and the historical background of Brazil;
- explain the economic, political, environmental concerns of Brazil; and
- examine the social issues and challenges confronting Brazil.

19.1 Introduction

The fifth largest country in the world, Brazil is the largest country in South America. Brazil occupies nearly one-half of the area of South America and borders on nine of the continent's eleven nations. With 80% of the population living in cities and towns, Brazil is one of the most urbanized and industrialized countries in Latin America. Sao Paulo and Rio de Janeiro are among the ten largest cities in the world. Yet, parts of Brazil's Amazon region, which has some of the world's most extensive wilderness areas, are sparsely inhabited by indigenous people still in the process of coming into contact with the modern world.

This unit begins with a discussion of the population composition and other demographic facts of Brazil. The historical background has been traced to understand the present state of Brazil. To assess the state of development, the prevailing social political and economic conditions of Brazil have been analyzed. Finally, the major issues and challenges confronting the country are outlined in this unit.

19.2 A General Background

Brazil is marked by profound contrasts and diversity. Some of these are geographic or climatic in nature, others are racial or ethnic. Brazil's population mainly draws on Native American, African and European roots and successive waves of immigrants, principally from Asia and Europe, have added to the mix. Yet other contrasts are social in nature. Living conditions for Brazil's 170 million people vary dramatically and income disparities are significant not only across regions but also between metropolitan centers, non-metropolitan urban centers and rural areas.

Box 19.1: Facts at a glance

Official name	:	Federative Republic of Brazil
Capital:	:	Brasilia
Area (thousands of km ²)	:	8,547
Population (millions)	:	178.5 (2003)
Population density (per km ²)	:	21 (2003)
Urban population (%-2001)	:	82
Gross national income (GNI) (per capita):		US\$2,850 (2002)
GNI purchasing power parity (PPP) (per capita)	:	US\$7,250 (2002)
Structure of GDP (2001):		
Agriculture	:	8, Industry : 36, Services: 56
Human development index (HDI) ranking (2004)	:	65 th of 177 countries
Gender-related development index (GDI) ranking	:	60 th of 177 countries (2004)
Life expectancy at birth	:	68-1 (2004)
Mortality rate under 5 years old (per 1,000)	:	36 (2004)
Adult literacy rate (2004):		
Total	:	86.4
Men	:	86.2
Women	:	86.5
Sources:	UNDP, <i>Human Development Report</i> 2004, UNFPA, <i>The State of World Population</i> 2003, UNICEF, <i>The State of the World's Children</i> 2004, <i>World Development Report</i> 2004, WWF, <i>Living Planet Report</i> 2002	

19.3 People and History

With an estimated 156 million inhabitants, Brazil has the largest population in Latin America and ranks sixth in the world. The majority live in the south-central area, which includes the industrial cities of Sao Paulo, Rio de Janeiro, and Belo Horizonte. Urban growth has been rapid: by 1991, 75% of the total population was living in urban areas. Rapid growth has aided economic development but has also created serious social, environmental, and political problems for major cities.

Four major groups make up the Brazilian population: the Portuguese, who colonised the area in the 16th century; Africans brought to Brazil as slaves; various other European, Middle Eastern, and Asian immigrant groups who have settled in Brazil since the mid-19th century; and indigenous people of Tupi and Guarani language stock. Inter-marriage between the Portuguese and indigenous people or slaves was common. Although the major European ethnic stock of Brazil was once Portuguese, subsequent waves of immigration have contributed to a diverse ethnic and cultural heritage.

From 1875 until 1960, about 5 million Europeans immigrated to Brazil, settling mainly in the four southern states of Sao Paulo, Parana, Santa Catarina, and Rio Grande do Sul. Immigrants have come mainly from Italy, Germany, Spain, Japan, Poland, and the Middle East. The largest Japanese community outside Japan is in Sao Paulo. Despite class distinctions, national identity is strong, and racial friction is a relatively new phenomenon.

Indigenous full-blooded Indians, located mainly in the northern and western border regions and in the upper Amazon Basin, constitute less than one percent

of the population. Their numbers are declining as contact with the outside world and commercial expansion into the interior increase. Brazilian Government programs to establish reservations and to provide other forms of assistance have existed for years but are controversial and often ineffective.

Brazil is the only Portuguese-speaking nation in America. Approximately 80% of all Brazilians belong to the Roman Catholic Church; most others are Protestant or follow practices derived from African religions.

Brazil was claimed for Portugal in 1500 by Pedro Alvares Cabral. It was ruled from Lisbon as a colony until 1808, when the royal family, having fled from Napoleon's army, established the seat of Portuguese government in Rio de Janeiro. Brazil became a kingdom under Dom Joao VI, who returned to Portugal in 1821. His son declared Brazil's independence on September 7, 1822, and became emperor with the title of Dom Pedro I. His son, Dom Pedro II, ruled from 1831 to 1889, when a federal republic was established. Slavery had been abolished a year earlier by the Regent Princess Isabel while Dom Pedro II was in Europe.

From 1889 to 1930, the government was a constitutional democracy, with the presidency alternating between the dominant states of Sao Paulo and Minas Gerais. This period ended with a military coup and the successive Presidents thereon were from the army.

Brazil completed its transition to a popularly elected government in 1989, when Fernando Collor de Mello won 53% of the vote in the first direct presidential election in 29 years. In 1992 a major corruption scandal led to the impeachment and ultimate resignation of President Collor. Vice President Itamar Franco took his place and governed for the remainder of Collor's term culminating in the October 3, 1994 presidential elections, when Fernando Henrique Cardoso was elected President with 54% of the vote. He took office on January 1, 1995.

President Cardoso has sought to establish the basis for long-term stability and growth and to reduce Brazil's extreme socio-economic imbalances. His proposals to Congress include constitutional amendments to open the Brazilian economy to greater foreign participation and to implement sweeping reforms - including social security, government administration, and taxation to reduce excessive public sector spending and improve government efficiency (<http://www.economist.com/countries/brazil>).

Reflection and Action 19.1

Discuss the composition of the Brazilian population and trace their historical roots.

19.4 Brazilian Economy

Until the beginning of the 20th century the Brazilian economy was characterised by a succession of cycles, each of them based on the exploitation of a single export commodity: timber (Brazil wood) in the first years of colonisation; sugarcane in the 16th and 17th centuries; precious metals (gold and silver) and gems (diamonds and emeralds) in the 18th century; and finally, coffee in the 19th century. Slave labor was used for production, a situation that continued until the last quarter of the 19th century. Paralleling these cycles, small-scale agriculture and cattle farming were developed for local consumption. The first surge of industrialisation took place during the years of World War I, but it was only from the 1930s onwards that Brazil reached a level of modern economic performance. In the 1940s, the first steel plant was built in the state of Rio de Janeiro at Volta Redondo with US Exim bank financing.

**Development, Displacement
and Social Movements**

The 1970s saw a general rise in the number of agricultural products exported. Soybeans outpaced Brazil's traditional agricultural earners – coffee, cocoa, and sugar. The volume, value, and variety of semi-processed and manufactured agricultural products increased substantially, largely as a result of government incentives favoring processed goods over raw crops.

Agriculture in the 1980s continued to play a significant role in the country's economy, but no longer did a single crop dominate in the way sugar, coffee, or rubber had at their peaks. Through fiscal incentives and special credit facilities, the Federal Government strongly promoted greater efficiency in rural areas. Furthermore, efforts were made to alter the movement of people from rural communities to urban areas by extending equal social benefits, establishing rational schemes for agrarian reform, stimulating hitherto uneconomical smallholdings and, in general, improving the quality of life in areas that are quite remote from the main centers. Increases in agricultural productivity have been greater than the population growth. This has permitted Brazilian farmers not only to produce more for the domestic market, but also to increase their exports.

Today Brazil is still the world's largest producer of coffee and sugar (from sugarcane), second among the cocoa producers, and fourth among tobacco growers. The various programmes undertaken in the last two decades to promote diversification of crops have borne impressive results. The production of grains has grown consistently, including wheat, rice, corn and particularly soybeans.

Agriculture accounts for 13% of the country's GDP. Crop production accounts for about 90% of the total agricultural output. The remaining 10% of the agricultural economy involves livestock activities, mainly the production of beef, poultry, pork, milk and eggs.

Forest products, especially rubber (once a vital element in Brazilian exports), as well as Brazil nuts, cashews, waxes and fibers now come mostly from cultivated plantations and no longer from wild forest trees as before. Because of its wide climatic range, Brazil produces almost every kind of fruit, from tropical varieties in the north (various nuts and avocados) to an enormous output of citrus fruit and grapes in the temperate regions of the south. Brazil is the largest exporter of concentrated orange juice.

The industrialisation process from the 1950s to the 1970s led to the expansion of important sectors of the economy such as the automobile industry, petrochemicals, and steel, as well as to the initiation and completion of large infrastructure projects. In the decades after World War II, the annual Gross National Product (GNP) growth rate for Brazil was among the highest in the world, averaging 7.4% upto 1974. During the 1970s Brazil, like many other countries in Latin America, absorbed excessive liquidity from US, European, and Japanese banks. Huge capital inflows were directed to infrastructure investments and state enterprises were formed in areas that were not attractive for private investment. The result of this capital infusion was impressive: Brazil's Gross Domestic Product (GDP) increased at an average rate of 8.5% per annum from 1970 to 1980 despite the impact of the 1970's world oil crisis. Per capita income rose fourfold during the decade, reaching US\$ 2,200 in 1980 (<http://www.embassy of brazil in london historical perspective>).

In the early 1980s, however, the significant rise in US interest rates began to affect international capital markets, ending the favorable conditions to foreign indebtedness that existed until then. A substantial increase in interest rates in the world economy forced Brazil, as well as other Latin American countries, to implement strict economic adjustments that led to negative growth rates. The suspension of capital inflows reduced Brazil's capacity to invest. The debt burden affected public finances and contributed to an acceleration of inflation.

In the second half of the 1980s, a series of stringent measures was adopted aimed at monetary stabilisation. These included ending indexation (a policy of adjusting wages and contracts according to inflation), and the freezing of all prices. In 1987, the government suspended interest payments on foreign commercial debt until a debt rescheduling agreement with creditors could be reached. Although such measures failed to bring about the desired results, Brazil's overall economic output by the end of the 1980s continued to grow, providing enough surpluses in the trade balance to cover servicing of the debt.

On the one hand, the 1980s crisis signaled the exhaustion of Brazil's "import substitution" model (a policy that nurtured Brazilian industry by prohibiting the purchase of certain manufactures abroad), on the other it contributed to the opening up of the country's economy. In the early 1990's Brazil was engaged in a series of far-reaching economic reforms. They encompassed trade liberalisation, deregulation, privatisation, and the establishment of a legal and structural framework to promote foreign investment.

Economic reforms continued through the 1990s and included such measures as the abolition of state monopolies, reduction or elimination of trade barriers in goods and services as well as of subsidies, in line with Brazil's obligations as a member of the World Trade Organization.

In 1994, after several frustrated attempts to bring down inflation, the Brazilian government introduced the "Real Plan", a successful stabilisation plan that replaced the currency then in use with the Real. The main features of the Real Plan were: (a) a gradual approach to monetary reform; (b) the "deindexation" of the economy through the use of the URV; and (c) the appreciation of the currency, which was pegged to the dollar, although on the basis of a much more flexible exchange rate mechanism than a currency board, as the one contained in the "convertibility" plan in Argentina.

In brief, the Real Plan combined a domestic, monetary anchor with an external one. These anchors were controlled by higher interest rates and appreciated exchange rates. Later a very gradual path of depreciation of the currency was engineered to stimulate economic activity in line with the requirements of price stability and international competition.

Consequently, the Plan successfully resulted in a rapid and sustained decrease of the inflation rate. The restoration of the value of the currency and the return to economic growth brought about an increase in the purchasing power of the lower layers of the population and a significant reduction in poverty.

The lower classes, which previously had no financial protection against strong indexation, have experienced important improvements in their way of life. From 1980 to 1993 the average real rate of growth of the economy was 2.1% per annum. For most of the period from 1994 to 1997, the real growth rate was kept between 3% and 6%. In early 2001 it was just over 4%.

Market liberalisation and economic stabilisation have significantly enhanced Brazil's growth prospects. Brazil's trade has almost doubled since 1990, from U.S.\$50 billion to an estimated U.S.\$100 billion in 1996. The United States represents about 20% of that trade, and ran small trade surpluses in 1995 and 1996 after many years of deficits with Brazil. Foreign direct investment has increased from less than U.S.\$1 billion in 1993 to an estimated U.S.\$7 billion in 1996. The United States is the largest foreign investor in Brazil, accounting for almost U.S.\$20 billion, or 34% of total foreign investment. Ongoing and upcoming privatisation in the telecommunication, energy and mining sectors of Brazil planned for 1997 and 1998 is of major interest to U.S. companies.

Reflection And Actions 19.2

Discuss the state of the Brazilian economy. Learn about the latest economic reforms of Brazil through newspapers, internet, television etc.

19.5 Brazil's Trading Partners

In the 1980s many South American countries changed from an absolute military power to a more democratic civilian Government. This change helped easing trade negotiations with other countries. Since 1988, South America is experiencing considerable economic integration, political cooperation, enhancement of regional commerce, and interdependent trade ties.

The creation of organisations such as: Mercado Comun del Sur (MERCOSUR) (Common Market of the South), and the Andean Group, further foster and strengthen South America's economic growth and competitiveness in world trade.

Members of MERCOSUR are Argentina, Brazil, Paraguay, and Uruguay. The presidents of these countries agreed to set common tariffs for many goods imported from other countries.

Brazil exports a lot of products to:

- The European Union
- The USA
- Japan
- South America

Most of Brazil's imports come from:

- The Middle East
- The USA
- The European Union

Other features related to trade in Brazil are:

- Brazil exports coffee and Soyabeans.
- Manufactured products such as cars, clothes and shoes have become important export products.
- Imports include items such as chemicals, oil, foodstuffs and heavy machinery for industry. Most oil supplies are imported from the Middle East.
- Brazil has a trading surplus, whereby the country has earned more from exports than it has spent on imports. A lot of this money has been used to pay off loans and reduce Brazil's large national debt.

19.6 Government and Politics

In the governmental realm, Brazil is the third largest democracy (after India and the U.S.). It has had civilian democratic rule since the end of the military dictatorship (1964-85). After the "economic miracle" period (1967-74), Brazil entered a "stagflation" phase concurrent with political liberalisation. During the military period, Brazilian society had become 70% urban; the economy had become industrialised, and more manufactured goods than primary goods were exported; and about 55% of the population had registered to vote. Foreign policy oscillated between alignment with the United States and pragmatic independence. A transition to a civilian president took place in 1985. From 1985 to 1997, Brazil experienced four distinct political models: a return to the pre-1964 tradition of political bargaining, clientelism, and economic nationalism under José Sarney (president during 1985-90); neo-social liberalism with economic modernisation under Fernando Collor de Mello (president during 1990-92); an erratic personal style of social nationalism under Itamar Franco (president during 1992-94); and a consensus-style social-democratic and neo-liberal coalition under Fernando Henrique Cardoso (president during 1995- 2002).

Cardoso was ascended as president on January 1, 1995. The transition to the new government was nearly perfect. President Cardoso was re-elected in 1998 for a second four-year term. During his two mandates, President Cardoso drove important reforms, both in economic and social field. Perhaps the most important task of the Cardoso government in 1995 was to promote the reform of key sections of the 1988 constitution in order to reduce the role of the state in the economy, reform the federal bureaucracy, reorganise the social security system, rework federalist relationships, overhaul the complicated tax system, and effect electoral and party reforms to strengthen the representation of political parties (<http://www.brazilbrazil.com/politics>).

The economic plan established in 1994 (*Plano Real*) marked an important turning point in the Brazilian economy. It was successful in massively reducing inflation and paved the way for progress in other fields.

Low inflation in turn helped to ensure significant economic growth during the first four years of the *Plano Real*. From 1994 to 1997, the economy grew at an average annual rate of 3.5% and thousands of new jobs were created.

The pattern of growth in the economy decreased as a consequence of the crisis in the global economy of recent years. Even so, the growth of 2.3% per annum between 1994 and 1999 was significantly higher than that achieved before 1994.

Brazil overcome the financial crisis (see Box 19.1) of the 1999-2000 and from 2001-03 real wages fell and Brazil's economy grew, on average, only 1.1% per year, as the country absorbed a series of domestic and international economic shocks. That Brazil absorbed these shocks without financial collapse is a tribute to the resiliency of the Brazilian economy and the economic program put in place by former President Cardoso and strengthened by the present President Lula Da Silva who was elected in 2002. He undertook to build many of the reforms initiated since 1994. The three pillars of the economic program are a floating exchange rate, an inflation-targeting regime, and tight fiscal policy, which have been reinforced by a series of IMF programs. The currency depreciated sharply in 2001 and 2002, which contributed to a dramatic current account adjustment. In 2003, Brazil ran a record trade surplus and recorded the first current account surplus since 1992. While economic management has been good, there remain important economic vulnerabilities. The most significant are debt-related: the government's largely domestic debt increased steadily from 1994 to 2003, straining government finances, while Brazil's foreign debt (a mix of private and public debt) is large in relation to Brazil's modest (but growing) export base. Another challenge is maintaining economic growth over a period of time to generate employment and make the government debt burden more manageable. But the economic front of Brazil seems to be more optimistic when we look into the recent economic turnaround following a dismal 2003 when the economy shrank by 0.2 percent to a record exports and a stronger currency resulted in 5.3 percent growth for the Brazilian economy in 2004, the best in a decade (<http://www.nationmaster.com/country/br/Economy>).

Box 19.2: The Economic Crisis in Brazil

Despite having adhered to an economic strategy, which entailed an overvalued currency, high interest rates, huge capital inflows and liberalization, Brazil has plunged into crisis towards the end of last century. There was a rapid devaluation of Brazilian currency real against US dollar. The root of the crisis can be traced to the financial policies of 1980s when import substitution growth strategy was adopted for the economic growth of the country. By the end of the decade the Brazilian economy was turbulent by the devaluation of its currency. Early IMF stabilization programmes, failed to stop inflation or generate growth - indeed, they created hardship for many in the region. Later prescriptions combined more sophisticated anti-inflation policies with a growth strategy based on market liberalization. In 1990 President Collor ordered to freezing of bank accounts to

halt inflation. Collor, who was later forced out of office on corruption charges, also scaled down the tariffs surrounding the economy and attempted to cut public spending. In 1994, Fernando Henrique Cardoso, the Brazilian Social Democratic Party (PSDB) economy minister in the next administration, introduced the “Plano Real”, with full backing from the international financial world. It stopped hyperinflation by anchoring the currency to the dollar and by keeping interest rates high and the exchange rate overvalued. The “inflation tax” was lifted from the shoulders of lower-income families leading to a better living standard. This success ensured Cardoso’s election to the Presidency in October 1994.

It was widely believed that Fernando Henrique Cardoso’s victory in the Brazilian presidential election would serve to inoculate Brazil from the devaluation virus. Cardoso, architect of Brazil’s “Plan Real,” was to implement structural adjustments and economic reforms designed to satisfy the conditions set by the International Monetary Fund (IMF) for a \$41.5 billion loan. Cardoso’s regime could not deliver what they promised. He was unable to get the IMF supported budget or the economic reforms the Brazilian legislature. People of Brazil were convinced that devaluation of the real was inevitable and began shifting their wealth out of Brazil and into bank and brokerage accounts in the U.S., Europe, and off-shore havens. The more dollars fled Brazil, the more negative expectations about Brazil’s future, particularly the future value of the real. The more negative the expectations, the more the capital flight. In an effort to defend the real, the Brazilian Central Bank pushed up interest rates to nearly 50%. Indeed, the high interest rates only speeded up the fall in asset prices in the Brazilian economy, reducing the collateral backing existing loans, increasing the rate and risk of bankruptcies, and placing extraordinary burdens on the entire financial system.

President Cardoso decided that the solution was devaluation of Real. He had earlier pledged not to devalue. Thus, the devaluation reinforced the negative expectations in the financial markets and community of the Brazilian well-to-do. The 9% devaluation in the real/dollar exchange rate led to the flow of dollars out of Brazil deepening the financial crisis.

19.7 Environmental Issues

Half of Brazil is covered by forests, with the largest rain-forest in the world located in the Amazon Basin. Within the delicate structure of this particular forest, which as a whole is 40% of the globe’s entire rain-forests, exists one-fifth of planetary oxygen production and one-fifth of planetary fresh water. The Amazon is also home to one-tenth of the planet’s plant and animal population. Recent migrations into the Amazon and large-scale burning of forest areas have placed the international spotlight on Brazil.

Amongst the world’s greatest environmental problems, deforestation in the Brazilian Amazon is without doubt the one which has caught the largest audience and attracted the most attention, being of concern to a large number of actors, governments, international institutions, Non-Governmental Organizations and media. The Amazon rainforest and Pantanal(Great wetlands) of Mato Grosso are suffering from the effects of human intervention from deforestation, slash-and-burn agriculture, highway construction, illegal mining, drug trafficking and pollution. Dam building has also destroyed large swathes of rainforests.

Box 19.3: Promoting equity and the environment - a creative fiscal example from Brazil

In 1992 most Brazilian states adopted an ecological value added tax (Imposto sobre Circulacao de Mercadorias e Servicos, or ICMS-E). A levy on goods, services, energy and communications, the tax is the largest source of revenue in Brazil. The ICMS-E was intended to compensate municipalities with large conservation areas for the resulting loss of revenue. Revenue from the tax is often used to maintain parks and reserves, including tool purchases and employee salaries. In some states the tax appears to have significantly increased the number and size of protected areas. In Parana conservation areas grew by more than 1 million hectares between 1991 and 2000 – a 165% increase.

In 1992, Rio de Janeiro had been selected by the United Nations as the site for the largest global town meeting ever held, the United Nations Conference for Environment and Development (UNCED), better known as the Earth Summit. Nearly every country in the world, thousands of journalists, and even more NGOs participated in a meeting featuring some of the world's best minds. The daunting task was to identify a blueprint for the future balancing of the conflicting priorities of the rich North and poor South. The essence of the northern view favored environmental integrity in the service of improved quality of life for current and future generations, which coalesced around the concept of sustainability, or long-term replicability. In sharp contrast, the South saw environmentalism as secondary to the inalienable right of poor southern hemispheric people to economic development resulting in a higher standard of living for the world's disadvantaged. These two divergent goals had traditionally been seen as inimical, but the approach taken at Rio was different; the Earth Summit defined environmentalism and development as potentially complementary, and around this idea was forged a rare global consensus pointing toward a new goal: sustainable development. This concept of environmentally conscious forms of development was formalised in the document that emanated from Rio '92—called "Agenda 21"—which placed the whole world on the same page by pointing to sustainable development as the common goal for humankind's future. Reaching agreement on "Agenda 21" represented a considerable achievement, but its acceptance as a political symbol could not answer whether sustainable development was, in fact, possible. It soon became apparent that while both the north and south saw enough of what each wanted in "Agenda 21" to accept its goal of sustainable development, the North focused on the sustainability component, while the South prioritized economic development for poor countries.

Reflection and Action 19.3

What is the major environmental challenge of Brazil? What measures are being undertaken to counter it?

19.8 The Social Challenges

Since the 1980s Brazil has been going through a particularly serious period in relation to her social situation: a very large number of Brazilians are living in a state of poverty and destitution whilst inequality in terms of wealth and income has reached immorally high proportions. The richest 10% households have 70 times the income of the poorest 10 % (HDR 2003). Poverty and inequality have their roots in the country's past but their more immediate causes can be found in the process of development based on the replacement of imports carried out by the State between the 1940s and the 1970s; in the crisis of that development pattern; in the failed attempts at economic adjustment; and in the consequences – still incipient – of the economic restructuring process imposed by globalisation.

Without any doubt, the pattern of economic growth based on protected industrialisation was responsible for the upturn of an urban industrial economy that was diversified and complex, in terms of both consumption and mass, and on the edge of capitalism. This growth pattern, however, was not able to eliminate poverty and wretchedness although it had contributed towards their reduction at the most dynamic points of its cycle. Neither was it able to reduce the inequalities of wealth and income, having actually accentuated them during recent times. Certain social groups have remained permanently on the margins of its benefits, for example, the mass of rural workers without land, owners of tiny smallholdings increasingly impoverished and falling into debt as well as contingents of marginal urban workers ([http:// www.mre.gov.br /cdbrazil](http://www.mre.gov.br/cdbrazil)).

Development, Displacement and Social Movements

The progressive weakening of this pattern of economic growth was accentuated throughout the 1980s, a period that was marked by the debt crisis, the increasing loss of economic dynamism, the mounting public debt and the consequent crisis in the State and Public Administration compounded by recurrent inflation and vicissitudes and uncertainties in relation to unsuccessful attempts to establish economic stability. The situation was made worse during that period by Brazil's social problems: there was once again an increase in the contingent of the poor and destitute, accentuating inequality and increasing the vulnerability of certain sections of the middle and lower middle classes – especially those dependent on the State and its actions. Brazil moved into the 1990s at the same time as undergoing an economic re-structuring process leading to technical and management modernisation as well as to business opportunities, causing sharper competition within the domestic market. These factors have had a profound effect and over the next few years will continue to affect other occupational and social groups, mainly those directly linked to the peripheral pattern of industrial organisation. The structural modifications to the economy have had and will continue to have a negative impact on the job-product elasticity and for not inconsiderable sections of the Brazilian people, the problem of employment and the job market could be more acute in the future than it has been in the past.

The recent successful experiment in economic stabilisation, represented by the Real Plan introduced in Brazil in mid-1994 marked the beginning of a decline in that trend, especially for the poorest sections of the population. However, with the ending of inflation, certain sections of the population who had been benefiting from it could start to feel more vulnerable.

These various processes are producing a complex structure that is marked by exclusions and social vulnerabilities. These issues must be tackled by a varied range of public and government policies. To achieve this, a series of schemes and actions aimed specifically at the social area are being devised and introduced, in an attempt to promote, consolidate or guarantee basic social rights and equality of opportunity, providing protection against situations of recurring risk and making social security available to vulnerable groups.

Brazil's regional and social disparities are also reflected in the great inequalities of its education system. In 1994 UNICEF rated Brazil's basic education system as being in the last place in world ranking, with large rates of non-attendance in poor states. In a hopeful development, however, primary education in Brazil is being radically reformed. Over the past 10 years illiteracy rates have been widening between the richest and poorest states. And though poverty started to decline in the early 1990s, it did so unevenly. The North is the only region that has seen poverty increase, rising from 36% in 1990 to 44% in 2001. Why are so many people being left behind when overall growth is good? The culprit is not a shortfall in average resources but highly persistently high inequality (Mendonca 2003). Not only is the North seeing poverty increase, it is also lagging on the HDI- unlike the wealthy, urban South (Sao Paulo, Rio de Janeiro and Rio Grande do Sul) and unlike the Northeast, which has seen substantial improvements in its HDI.

To this is added the additional challenge to the progress of the Brazilian social issue: the demographic challenge. The demographic transition that has been in progress over the last thirty years has brought about significant changes in the age structure of the population, in family behavior and the job market.

This has caused a far-reaching overhaul of the social security system involving its expansion and improvement. The challenge involved in carrying out these transformations must respect democratic institutions and give social policies a role in the process of consolidating and strengthening democracy, within that context.

Health indicators in Brazil have shown great progress over the last 50 years. The average life expectancy of Brazilians has increased considerably. Infant mortality rates, although they are still high by both world and Latin American standards, are almost four times lower than they were at the beginning of the 1940s.

The morbidity structure and the mortality profile have undergone substantial changes. The main causes of death, earlier centered on the so-called communicable diseases, are today to be found, with increased urbanisation, among chronic-degenerative diseases (cardiovascular problems and tumors) and in external causes such as accidents and homicides, both resulting to a large extent from daily life in large cities ([http:// learn.Co.uk](http://learn.Co.uk). Learning resources for national curriculum).

This does not mean that communicable diseases have disappeared. They continue to exist, although concentrated in particular pockets of rural poverty and associated in large measure with migratory movements, notably in the North-East, North and Central-East regions. The North-East for example still shows high infant mortality rates, especially related to the poor state of nutrition of a high proportion of children and newborn babies. The return of endemic diseases which had been eradicated such as cholera, and the emergence of new ones, such as AIDS, are new characteristics of disease profile, requiring new forms of preventive action from the government.

In spite of the progress seen, Brazil still shows regional differences in its health indicators. Regions such as the North-East have sickness patterns which are very similar to those of the most backward countries of Africa, Asia and Latin America. Whereas the states of the South, South-East and the Federal District, where in spite of the internal dissimilarity of the indicators, health conditions are to be found that are similar to those of many developed countries.

Reflection and Action 19.4

Discuss the implications of the rapid population growth in Brazil.

19.9 Conclusion

Concerning economic and environmental issues, Brazil matters globally. Its economic output, population, size, and bounty of natural resources all rank among the world's top ten. As a frontier society that expanded aggressively across a territory seen as infinite, Brazilian culture developed a sense of profligacy, or large-scale wastefulness. In particular, the belief that “bigger always means better” has caused problems for Brazil. This attitude continues to plague Brazil as global critics point to wasteful economic and environmental practices tied to crash programs intended to solve problems quickly via massive spending on huge public projects.

Despite its social heterogeneity, Brazil possesses a coherent national culture shared by most of its citizens. Racial miscegenation is one factor contributing to a widely-accepted social tolerance. While examples of racial and ethnic discrimination can be cited in Brazilian history, they are less virulent, overt, and institutionalised than those experienced by minorities in the United States. Another factor binding Brazilian culture is the pervasive role of Roman Catholicism, to which 80 percent of the population belongs. While many nations in the world possess a passion for the game of soccer, nowhere else do as many people follow the sport in a serious manner as in Brazil. This is true partly because no other country has enjoyed international soccer success to match that of Brazil. Soccer operates as more than mere entertainment in

Brazil, making it another force contributing to a cohesive culture, or a sense of Brazilian-ness.

This unit begins with a discussion on the demographic and historical background of Brazil. An examination of economic history of Brazil shows the shift in national economic approaches. The unit also looks into the political, environmental and social concerns of development of land and people in Brazil.

19.10 Further Reading

Maria J.F. Willumsen and Eduardo Giannetti da Fonseca (ed) 1997. *The Brazilian Economy: Structure and Performance in Recent Decades*. North-South Centre Press: University of Miami

E. Bradford Burns 1993. *A History of Brazil*. Prentice Hall: New Jersey



Unit 20

Economic, Social and Cultural Dimensions of Globalisation

Contents

- 20.1 Introduction
- 20.2 The Concept and Definition of Globalisation
- 20.3 The Features of Present Day Globalisation
- 20.4 Economic Dimensions of Globalisation
- 20.5 Social Dimensions of Globalisation
- 20.6 Cultural Dimensions of Globalisation
- 20.7 Conclusion
- 20.8 Further Reading

Learning Objectives

In this unit you should be able to critically analyse:

- the term globalisation and its various features;
- the social and economic dimensions of globalisation; and
- the various cultural processes and relate them to globalisation.

20.1 Introduction

As you know, the theme of Block VI is Globalisation. It is a fact that in the contemporary world there is hardly any social, cultural, economic and political realm which can be said to be impervious by the process of globalisation. Globalisation as an interchange of various attributes among different societies is not a new phenomenon, but an ongoing process. What makes the present day process of globalisation different and distinct from the earlier ones is the rapid increase in the frequency and the density of these interchanges. It is important to learn more about the current pace of the process of globalisation and related aspects. Block VI deals with the process of globalisation and its impact on the notion of development. In this unit the concept and features of globalisation and its various dimensions are discussed. The first part of the unit deals with the very concept of globalisation and how different scholars have defined this concept. Then it goes on discussing the economic, social and cultural dimensions of globalisation in more detail. Each aspect has been elaborated in general and in relation to the Indian situation as well.

20.2 The Concept and Definition of Globalisation

In very simple terms globalisation can be depicted as increasing global interconnectedness. It is a process rather than an outcome, which refers to the trend toward the growing interconnectedness of different parts of the world, not to their being interconnected. It primarily is an interchange of economic, social, cultural, political, technological attributes that takes place between societies when different societies come into contact with each other. Though this interchange is going on for times immemorial, this process was termed as “globalisation” for the first time around the second half of 20th century while much of the literature on this has appeared since the late 1970s and 1980s (Beyer 2003).

Development, Displacement and Social Movements

Globalisation as an idea of modernisation within the global market was mentioned in the writings of Marx and Saint-Simon also (Cable 1999). Certain scholars even argue that this process of globalisation has been going on since the beginning of mankind and it has affected all cultures, even remote and isolated, though in varying degrees (Griffin 2004). The contemporary globalisation differs from the process that could be observed in the past primarily in terms of the quantum of interchange and inter connectedness. Everything happens much faster today than it did in previous eras. The current process of globalisation, which is popularly described as gradual removal of barriers to trade and investment between nations, was started towards the end of the 20th century. It is said to aim to achieve economic efficiency through competitiveness, while seeking the broader objectives of economic and social development. It touches all spheres of human life; economic, social, cultural, political and environmental.

The most common definition of present day globalisation refers to the growing integration of various countries to the world economy. It results mostly from a freer movement of capital, products and information, which affects not just the economy, but also, as we said earlier, the political, cultural, social and environmental arenas. Different disciplines such as Economics, History, Political Science, Sociology, etc. employ different criteria for elaborating and defining the concept of globalisation. Antony Giddens, a sociologist, defined globalisation as an intensification of worldwide social relations, via which far away places are linked together in such a way that events in one place are affected by a process taking place many miles away and vice versa (Giddens 2000). David Henderson (1999), an economist, views globalisation as a model of fully internationally integrated markets meeting the two conditions of i) the free movement of goods, services, labour and capital resulting in a single market in inputs and outputs, and ii) full national treatment for foreign investors as well as nationals working overseas, so that economically speaking there are no foreigners. For Meghnad Desai (2004) globalisation is the growing reciprocal interdependence and integration of various economies around the globe.

Kenichi Ohmae's phrase "the borderless world" captures the sense of radical progress and modernity and of life beyond the constraints of the traditional nation-state, which infuses much of the popular writing about globalisation (Ohmae 1990). For Richard O'Brian (1992), globalisation essentially refers to a mixture of international, multinational, offshore and global activities and involves a general progression from the domestic to the global. Malcolm Waters (1995) finds globalisation as a social process in which the constraints of geography on social and cultural arrangements recede and in which people become increasingly aware that they are receding. For him globalisation merely implies greater connectedness and de-territorialisation. Scholte (1999) too understands globalisation as a process of de-territorialisation and global relations as supra territorial. For some others globalisation essentially means an intensification of multinational, international and transnational linkages in all spheres of human activity, including trade and commerce, governance and non-government lobbying as a consequence of new communication technology of the contemporary period (Galligan et al 2001). Pieterse (2001) calls the contemporary globalisation as accelerated globalisation. Current accelerated globalisation is shorthand for several major interwoven trends. According to him current accelerated globalisation comes in a package together with i) informatisation, which means the role of information and communication technologies ii) flexibilisation that means changes in production systems towards flexible production, and iii) reconfiguration of states and regionalisation. He views globalisation as a process — the growing interconnectedness of different parts of the world; globalisation as awareness — the recognition of growing interconnectedness (globalisation as subjectivity); and globalisation as project (see Box 21.1) — the advocacy and pursuit of particular forms of globalisation and attempts to manage and steer globalisation in a particular direction.

Box 20.1: Globalisation as Projects	
Globalisation Projects	Agents
Strategic globalism	Super Power Politics, NATO
Corporate globalism	International banks, multinational corporations, transnational enterprises
Economic and financial global management	International financial institutions, WTO, G-7
Developmental globalism	World Bank, UN agencies (UNDP and so on)
Ecological globalism	UNCED, global environmental facility
Media globalism	Media Ind., CNN
Feminist globalism	Sisterhood is global (Nairobi, Beijing, Cairo meeting)
Labour globalism	ILO, trade union internationalism
Islamic globalism	Umma politics
Catholic globalism	Vatican (for example, Lumen 2000)
Ecumenical globalism	Inter religious dialogue, as in the
World Council of Churches	
Consumer globalism (everyday globalism)	Mc Donaldization
Anti-globalism	Localism, new protectionism, delinking

Source: Pieterse 2001

From the above account, it can be concluded that globalisation is a multifaceted, multidimensional and comprehensive phenomenon having its potential impact on a whole range of contemporary social, political, cultural and economic relationships. Now let us try to understand what makes the present day process of globalisation distinct from the past.

20.3 The Features of Present Day Globalisation

Since the Second World War there has been a deliberate selection of a more market-oriented approach by many countries and increased internationalisation of economic activities. This tendency increased significantly in the early 1980s as industrialised countries such as the United States of America and the United Kingdom shifted towards more market coordination of economic activities. Previously socialist countries, bringing their transition to capitalism, followed this trend in the early 1990s. During this period there also has been a widespread adoption of export-oriented development strategy and trade liberalisation (you will learn more about this in later part of this unit as well as in subsequent units of this Block) as a favoured path to development all over the world either by choice or under compulsion by the International Financial Institutions like World Bank and IMF (Pyle and Forrent 2002). This increased the pace of globalisation to a great extent.

As a result there has been faster growth in world output during the past few decades compared to former days. World trade has grown significantly more rapidly than world output and the national economies have become more open and more closely integrated. International capital flows have grown even faster than international trade. Ideas, technologies and cultural attributes are exchanged at a higher acceleration. Contemporary globalisation has led a greater volume of exchanges of goods and services and it has led to a greater variety of things being exchanged. Many goods and services, once non-traded, now

regularly enter the world market. For example, a Japanese architect may design a building in France; marketing services may be transmitted from India to USA or UK, etc. The advancement of Information and Communication Technologies (ICTs) reduced the geographic distance significantly. Technologies such as Internet and mobile phones made it possible for people to communicate anywhere around the globe instantly. This accelerated the growth and development of knowledge society (you will learn more on this in Block VII).

There have also been increased incidences of people migrating for work globally. There is a significant change in the relative power of world organisations during the current phase of globalisation. On the one hand the international financial institutions such as IMF and World Bank as well as WTO — an international organisation to regulate global trade — become more powerful. On the other, global institutions that have focused on more human-centered interests such as United Nations (UN) and International Labour Organisation (ILO) have found their position relegated to the background and their power and effectiveness relatively diminished in the face of global changes (Coicaud and Heiskanen 2001). The more powerful institutions (IMF, World Bank, WTO) have pushed for increased use of markets and less government involvement in economies in order to achieve free flows of trade and investment of funds and less regulation by the national governments. The shift in power of the global institutions is reflected in all spheres of human life.

The current process of globalisation also resulted in the globalisation of national policies and policy-making mechanisms of national governments. National policies including in economic, social, cultural and technological areas, which were till now under the jurisdiction of states and people within a country, have increasingly come under the influence of international agencies and the big private corporations. Under pressure from these international organisations the national governments have had to restructure their economies that demand more thrust in free trade and less spending in social sector. They had to increase taxes or shrink government spending by reducing expenditures on social sectors such as education, healthcare, sanitation, subsidies in housing, fuel, public distribution systems and transportation. The national governments had to dismantle the administered price mechanism applicable to the essential commodities of mass consumption. The externalities associated with globalisation have also had a global impact on the environment, a new set of global 'bads' have been produced, for e.g., global warming, depletion of ozone layer, etc.

The globalisation process received additional impetus in India when she opened up her economy in the early 1990s following a major crisis that led by a foreign exchange crunch that dragged Indian economy close to defaulting on loans owed to international financial institutions. India adopted a New Economic Policy that included the elements of "globalisation", "liberalisation" and "privatisation". The two central components of these neo-liberal policies adopted by the Indian government have been the liberalisation of India's private sector and reform of the public sector. Globalisation integrated the Indian economy with the global economy through reduction in import duties and export restrictions, promotion of foreign investments and permission for free flow of foreign technology and skills, etc. (Buggi et al 2001).

Along with the easing of restrictions on external trade there has also been a removal of some internal restrictions on the movement of commodities. At the same time there has been a considerable loosening of the existing governmental licensing system (popularly called as licence-permit *raj*), especially on private sector firms, as well as the lifting of reservations for many products. The licence-permit *raj* has become a buzzword of the past. The role of the Directorate-General of Foreign Trade has been near non-existent and the near free flow of foreign goods and services has been permitted. The subsidies given to fertiliser and agriculture had to be drastically reduced or withdrawn. A drastic reduction was there in the allocation to poverty alleviation programmes

and health and education. At the same time there has not only been an integration of production globally, but also across the country internally. There has been rapid privatisation of publicly owned companies, of state and community headed resources of hitherto reserved areas like banking and insurance (refer unit 16 for more details). There has been deregulation of labour protection leading to massive growth of contract labour and sub-contracting (Jhabvala and Sinha 2002).

Reflection and Action 20.1

What did you understand by the process of globalisation? Based on your understanding pinpoint any four impact of globalisation in the lifestyle of common people of your locality.

20.4 Economic Dimensions of Globalisation

We have already learnt in the earlier section of this unit that globalisation is a complex and multidimensional phenomenon. Although it makes an impact in all spheres of human life, the economic dimension of globalisation is more prominent and far-reaching than any others. The most important dimensions of the current phase of economic globalisation are the breaking down of national economic barriers; international spread of trade, financial and production activities and the growing power of transnational corporations and international financial institutions. Here in this section the economic dimensions of globalisation will be discussed in terms of liberalisation and privatisation; free flow of trade and services, which includes the origin and functioning of WTO, multilateral trading system and end of national economies; foreign direct investment which includes globalisation of financial markets, transnational integrated production and functioning of multinational and transnational companies; liberalisation in investment; growth of global economy; infrastructural development; development of information and communication technologies (ICTs); outsourcing of services; and Trade Related Intellectual Property Rights (TRIPs).

a) Liberalisation

In general, liberalisation refers to a relaxation of restrictions, usually in areas of social or economic policy. Most often, the term is used to refer to economic liberalisation, especially trade liberalisation or capital market liberalisation; the policies often referred to as neo-liberalism. A major revolution in the policy environment caused by the current phase of globalisation is liberalisation of economic policy, which included the freeing up of markets and reduction in the role of national governments in terms of ownership and control over production of goods and services. The “liberalisation revolution” challenges the legitimacy of many of the activities nation-state governments have performed in the modern (post-1914) world such as running nationalised industries, trade exchange and price controls and monopoly over infrastructure and public services (Strange 1996).

Free market economic policies advocated by neo-liberals in the Western countries, put into practice by Margaret Thatcher in Britain and Ronald Reagan in the U.S. during the 1980s, soon became the official policy of International Financial Institutions (IFIs), which started insisting on the deregulation of national economies and liberalisation in the trade and investment sectors as conditions for the grant of financial assistance or loans to countries the world over. Since the movement of economic forces in the contemporary world is beyond the control of national governments, neo-liberals call for a fundamental restructuring of relations between the state and civil society with the state maintaining a low profile in the area of economic activities which should be governed by the free play of market forces (Banerji 2000). They advocated

Development, Displacement and Social Movements

free trade, which in modern usage means trade or commerce carried on without such restrictions as import duties, export bounties, domestic production subsidies, trade quotas, or import licences. The basic argument for free trade is based on the economic theory of “comparative advantage” that means, each region should concentrate on what it can produce most cheaply and efficiently and should exchange its products for those it is less able to produce economically.

In India, the pace of globalisation gathered momentum when the then central government (Narasimha Rao government) introduced the package of reforms at the behest of IMF and World Bank aimed at economic liberalisation in June 1991. The roots of the liberalisation programme in India, in fact, may be traced to earlier periods of liberalisation of trade regime in the late 1970s under the Janata government initiative as well as in the industrial policy reforms of the early 1980s introduced by Indira Gandhi and finally in the New Economic Policy fashioned by the Rajiv Gandhi government in the mid-1980s. But these earlier initiatives and their implementation were rather slow compared to Narasimha Rao’s initiative in 1991, which was more ambitious and aimed at freeing the economy from state intervention.

The reforms introduced by Rao’s government included short-term stabilisation measures encompassing devaluation of the rupee, restraint on public expenditure (by reducing subsidies on fertilizer and petroleum), a plan for the reduction of the fiscal deficit and removal of restrictions on the flow of foreign capital to Indian markets. The medium and long term Structural Adjustment Programme (SAP) included a series of measures aimed at liberalisation of trade and deregulation of industry, restricting the ambit of the public sector including disinvestment of equities in profit making concerns and withdrawal of subsidies for the loss making ones, reforms of the financial sector and the tax systems and measures to facilitate foreign capital flows (Byres 1998).

The main features of the liberalisation policy of Indian government have been:

- General reduction in the role of the state in economic governance;
- Withdrawal by the State from some economic sectors and its replacement by the private sector;
- Decline in the government/public sectors in basic and key industries, banking, insurance and other public sector undertakings;
- Decline in the role of the State in provision of public social services like education, housing and health;
- Future development through wider participation of the private sector and hence more dependence on the market for the exchange of goods.

b) Privatisation

Along with the liberalisation of the economy in the 1980s the neo-liberals of the U.K. and the U.S also advocated the privatisation of industries and services to make enterprises more competitive and efficient so as to meet the challenges of the global economy. The U.K. privatised 80% of its public sector by the 1980s (Mandel 1993). Privatisation largely means selling of public owned assets to private ownership by stages. Privatisation can be done using any or all of the following techniques:

- Public offering of shares – all or part of the shares of public limited company are offered for sale to the public;
- Private sale of shares – all or part of the state-owned enterprise is sold to private individual or a group of purchasers;
- New private investment in a state-owned enterprise – private share issues are subsidised by the private sector or the public;

- Entry of the private sector into public sector – private groups allowed to get into areas reserved for the public sector, such as the power and telecommunications sectors in India;
- Contracting out the services and utilities to private operators or contractors for operation and maintenance, while retaining ownership with the government. Like water supply, sewage treatment, etc.;
- Sale of government or state enterprises' assets as private sale instead of shares;
- Reorganisation or fragmentation of subsidiary units of a company;
- Management/employee buy-out – in which the management or the employees acquire the controlling interest in which shares are purchased on credit extended by the government.

With the aim of privatising the economy, the Indian government adopted various measures in the 1990s. Initiatives such as abolition of licence *raj* for deregulation of the industries, scrapping of legislations such as MRTP and FERA, approval for 100% equity for NRIs, streamlining of approval committees, disinvestment in Public Sector Undertakings (PSUs), and reference of sick industrial units to Board of Industrial and Financial Reconstruction for rationalisation were meant for more and more privatisation of the Indian economy.

c) **Foreign Direct Investment (FDI) and Globalisation of Financial Market**

Foreign Direct Investment (FDI) is money invested in production by a foreign party rewarded with part-ownership of production. Of the three important aspects of liberalisation – finance, trade and investment – financial liberalisation has been the most pronounced. During this globalisation era there has been progressive and extensive liberalisation of controls on financial flows and markets leading to economic globalisation. Economic globalisation and financial liberalisation centres on the movement of capital of which FDI was a major form.

From the beginning of the 1980s, FDI flows have grown much faster than the world output or trade or domestic fixed investment. The growth of FDI in the 1990s was enormous. The initial burst of FDI in the late 1980s was almost entirely in developed countries (over 80% of the total) and predominantly from five leading developed countries (over two thirds). In the 1990s developing countries began to attract substantial FDI and there has been genuine geographical broadening of FDI. Since early 1990s, FDI flows to the developing countries have raised relatively averaging 32% of the total in 1991-1995 compared to the 17% in 1981-1990. This was due to the liberalisation of foreign investment policies in most of the developing countries during the 1990s (Khor 2001). Private capital flows for direct investment and portfolio investment for developing countries have grown from \$ 25 billion in 1990 to \$150 billion in 1997 (Parikh 1999). Also, during this period there have been qualitative and quantitative changes in the world of international integration of global markets through the medium of FDI. The FDI explosion of the 1980s characterised by the investment inflows within the triad of EU, Japan and North America shifted in the 1990s to the non-OECD (Organisation of Economic Co-operation and Development) countries as well. The flows were accounted by Asian countries (China, Singapore, Malaysia, Thailand, Indonesia), Latin American countries (especially Mexico, Chile, Argentina and Brazil) and Eastern European countries. There had also been a growth of major corporate alliances at global level during this period. FDI remained mainly market driven and they dominated service sector.

However the flow of FDI even among developing nations was not uniform. Much of this FDI has centred on only a few developing countries. Least developed countries in particular were receiving only very small FDI despite

**Development, Displacement
and Social Movements**

having liberalised their policies. There were some negative impacts of these private capital flows. There was a general and increasing concern about the fragility and vulnerability of the system due to the interconnectedness of financial markets and systems and the vast amounts of financial flows. These were the risk of a breakdown in some critical parts or in the general system itself, as a fault developing in one part of the world or in the system can have widespread repercussions. These concerns were heightened by the East Asian financial crisis that began in the second half of 1997 and spread to Russia, Brazil and other countries, causing the worst financial turmoil and economic recession in the post-World War II period.

Nonetheless in the 1990s a consensus gradually emerged around the globe that foreign capital, if utilised properly, can contribute significantly to economic development. The same was true with India. The largest proportion of FDI approvals in India has been in the infrastructure and core sectors such as power, telecommunications, energy exploration, and chemical and metallurgical industries. India followed a case-by-case approach in approving FDI. FDI in India depends on the assessment of India relative to other countries on several fronts. The main considerations are the political stability and credibility of reforms, the state of the infrastructure, especially power, transport and communication, national policy regime, speed and transparency in implementation of government policies, labour market conditions and the intellectual property rights issue (Ray 2000). FDI in India is permitted under the following forms of investments.

- through financial collaboration;
- through joint ventures and technical collaboration;
- through the capital market via Euro issues;
- through private placements or preferential allotment.

FDI is not a one-way process. In the open market system Indian companies are also going global through joint ventures abroad. India's export in the year 2001-02 was to the extent of 32,572 million. Many Indian companies have started becoming respectable players in the international scene. Agricultural products, marine products, cereals, oilseeds, tea, and coffee are some prominent products that India has been exporting.

Reflection and Action 20.2

With the help of two examples explain foreign direct investment in Indian context. List three advantages and disadvantages of FDI on local economy.

d) International Trade Regulatory Body - WTO

After the Second World War, steps were taken by countries around the globe to regulate world trade by proposing to set up an International Trade Organisation (ITO) along the lines of the International Monetary Fund (IMF) – a world body to facilitate international liquidity; and the World Bank – a sectoral lending institution (see Box 20.1). When ITO could not materialise due to various reasons, 23 nations around the globe agreed to continue trade negotiations that were eventually incorporated in the General Agreement on Tariffs and Trade (GATT), which formally came into existence in October 1947. This increased the role of trade during the post-World War II period. This was accompanied by the reduction in tariff barriers gradually both in developing and developed countries due partly to autonomous policies and partly to the series of multilateral trade rounds under GATT. In the eighth round of GATT negotiations popularly known as Uruguay Round, the contracting parties agreed to establish the World Trade Organisation (WTO) to undertake multilateral trade negotiations.

Box 20.2: The Bretton Woods Institutions

The Bretton Woods Institutions are the World Bank and the International Monetary Fund (IMF). The creation of the World Bank and the IMF came at the end of the Second World War. They were set up at a meeting of 43 countries in Bretton Woods, New Hampshire, USA in July 1944. They were based on the ideas of a trio of key experts - US Treasury Secretary Henry Morgenthau, his chief economic advisor Harry Dexter White, and British economist John Maynard Keynes. They wanted to establish a postwar economic order based on notions of consensual decision-making and cooperation in the realm of trade and economic relations. It was felt by leaders of the Allied countries, particularly the US and Britain, that a multilateral framework was needed to overcome the destabilising effects of the previous global economic depression and trade battles. Their aims were to help rebuild the shattered postwar economy and to promote international economic cooperation. The original Bretton Woods agreement also included plans for an International Trade Organisation (ITO) but these lay dormant until the formation of World Trade Organisation (WTO) in 1995.

Source: <http://www.brettonwoodsproject.org>

The World Trade Organisation, which came into being on 1st January 1995 replacing GATT, is an international organisation setting out the global rules of trade between nations. Whereas GATT was a bilateral agreement WTO is a organisational set up, which means any decision of the organisation is applicable to all the member nations. The stated aim of WTO is to provide a global decision making structure of setting and enforcing rules in relation to international trade. The WTO secretariat is based in Geneva. Its main function is to ensure that international trade flows smoothly, predictably and as freely as possible. In 2005, 148 countries are members of WTO accounting for 97% of the world trade and more and more countries are compelled to be members of WTO. Decisions are made by the entire membership of WTO and the agreements have to be ratified by the parliament of each and every member nation. The WTO's top-level decision-making body is the Ministerial Conference, which meets at least once every two years. The fifth WTO ministerial conference was held in Cancun, Mexico, in September 2003.

The main functions of WTO are:

- Administering trade agreements;
- Maintaining a forum for trade negotiations;
- Handling trade disputes;
- Monitoring national trade policies;
- Technical assistance and training for developing countries; and
- Cooperation with other international organisations.

WTO became an important player in regulating global trade. It became more significant to have a world trade regulatory body as trade liberalisation gradually increased during the 1990s. The share of world exports in world GDP rose from about 6% in 1950 to 12% in 1973 and to 16% in 1992 (Nayyar 1997). WTO trade agreements are mainly in goods, services, intellectual property, dispute settlement and policy review. Trade agreements in goods deal with all aspects such as lower customs duty rates and other trade barriers as well as with specific sectors such as agriculture and textiles and specific issues such as state trading, product standards, subsidies and actions taken against dumping. The service sector includes banks, insurance firms, telecommunications, tour operators, hotel chains and transport companies. All these now enjoy freer and fairer trade. The intellectual property agreement amounts to rules for trade and investment in ideas and creativity. The WTO system encourages countries to settle differences through consultations. Countries bring disputes to WTO if they think their rights under the agreements are being infringed.

The trade policy review mechanism of WTO proposes to improve transparency in national policies of individual countries (for more details refer unit 23).

The WTO has a range of rules designed to prohibit “trade-related investment measures” (TRIMs), including many of the ways in which national governments might seek to develop industry and investment policies to assist the development of industries and firms. The WTO rules in relation to “trade related intellectual property” (TRIPs) provide unprecedented protection in the areas of copyright and intellectual property rights.

The existing agreements of the national governments with WTO require domestic legislation and policies of member states to be altered and brought into line with it. Non-compliance can result in trade sanctions being imposed against a country’s exports through the dispute settlement system, thus giving WTO a strong enforcement mechanism. Thus national governments have to comply with the disciplines and obligations in the wide range of issues under the purview of WTO. The functioning of WTO promotes the empowerment of the market or the minimal role for the State and rapid liberalisation.

India is a founder member of GATT and its successor the WTO. India's participation in an increasingly rule based system in the governance of international trade is claimed to ensure more stability and predicability, which may lead to more trade and prosperity. By being a member of WTO India automatically avails most favoured nation and national treatment (refer unit 23 for more details) for its exports to all WTO nations. India made necessary legislative changes to implement WTO standard intellectual property laws in the year 2005, although after showing initial resistance.

e) **Multinational and Transnational Companies and their Functioning**

The deregulation of economies and financial markets led to a sharp increase in financial transactions across national boundaries. The process of globalisation has brought to the fore a new set of international actors - the multinational corporations (MNCs). The MNCs are often described as corporate giants. The annual turnover of certain MNCs is equal to the combined GDP of a few countries (Kurian 1994). These institutions have financial activities in different countries simultaneously. During the 1990s the process of globalisation intensified the activities of the MNCs across the world.

This process further intensified towards the end of the 20th century resulting in a larger concentration and monopolisation of economic resources and power by transnational corporations, a process Martin Khor (2001) calls transnationalisation. Here fewer and fewer transnational corporations are gaining a large and rapidly increasing proportion of world economic resources, production and market shares. Where a multinational company used to dominate the market of a single product, a big transnational company now typically produces or trades in multitude of products, services and sectors. Through mergers and acquisitions, fewer and fewer of these TNCs now control a larger and larger share of the global market, whether in commodities, manufactures or services.

Box 20.3: Multinational or Transnational Companies

Multinational companies, also known as transnational corporations depending on nature of operations, are a very important feature of the modern, globalised economy. A multinational company may be defined as one, which operates in a number of countries and has production or service facilities outside its country of origin. The history of multinational companies could be said to have begun with the founding of the British East India Company in 1600. Since the end of the Second World War there has been a rapid growth of such companies. According to United Nations estimates, there are 5,000 companies with direct investments outside their headquarters country. The 100 largest of them account

for about 40 per cent of cross-border assets. It is possible that they account for about one-quarter of world trade. Much trade is intra-company trade, i.e., taking place between different branches of the same company.

There are a number of reasons why companies decide to become multinational by investing in overseas operations. There may be a desire to have production facilities nearer to the market or the source of raw materials in order to keep down transport costs. If a country has high tariffs on imported goods, establishment of a factory in that country may be seen as a way of obtaining tariff-free access to that market.

Although multinational companies, like all businesses, are primarily motivated by a desire to make profits, their establishment of production facilities in developing countries may be both beneficial and detrimental to the peoples of such countries in certain ways. It may be beneficial, for example, in terms of a) creation of jobs, bringing in improved technological process and thereby higher labour and environmental standards, provide revenue by way of paying taxes, etc. It may be detrimental by way of a) influencing the policies of the host governments, b) providing vulnerable and exploitative labour conditions for making maximum profits, c) repatriating their profit to the home countries rather than reinvesting in the host nation, d) driving small scale companies out of business e) evasion of taxes, f) violation of human right and damaging the environment, etc.

Source: www.curriculumonline.gov.uk

Other than liberalisation, privatisation and other trade related aspects there are some additional economic avenues, which reflect the impact of globalisation process. Let us discuss some of them.

f) **Infrastructure Development**

The current phase of globalisation warranted for the world countries faster and large-scale development of infrastructure to facilitate industries dependent on import and export as well as to become more competitive in the world market. For example, India needed to develop port facilities if it is to be internationally competitive. The total handling capacity of Indian ports during the mid-1990s was 190 million tonnes of trade annually, which was far less than individual ports abroad such as Singapore. Also, container-handling rates were much lower than the international rates (Gordon 1997). This shows that India needed massive investments in road building, development of port facilities and in power and telecommunications sector to attract more and more foreign trade. In the mid-1990s the Indian government estimated a total spending of 200 billion dollars over the next one decade in infrastructure development. To meet this requirement the government drew funds from the private sector and from overseas investors and with this aim, it opened power, telecommunications and transport sectors to foreign direct investment.

g) **Expansion of Information and Communication Technologies (ICTs) and Birth of Information Age**

One of the striking aspects of contemporary society is the rapid development of the information technology for application in different areas of electronic activities with significant implications. If we analyse the progression of global economy we can see that since the 19th century, the story of the global economy has been a regular succession of leading commercial and industrial sectors (Modelski and Thompson 1996). From mid- nineteenth century onward, the leading sectors were electric power, chemicals and steel. The industries that took off after 1914 were electronics, including telephones, radio and then television and autos plus oil and rubber. Since the 1970s, leadership in the global economy has begun to shift to another set of industries, one that combines computers, the television, the (digital) telephone and other communication tools, which can be collectively called as information industries. Prominent among these are the computer industry, composed of several

**Development, Displacement
and Social Movements**

subsections including large, hard and software sectors; the revitalised telephone industry transformed into telecommunications with such new sectors such as cellular, wireless and cable and multifaceted ever changing media complete with their content providers and distributors. Alvin Toffler in *The Third Wave* (1980) describes three periods of economic evolution: the Agricultural wave that lasted from 8000 B.C. to the mid-eighteenth century, the Industrial wave which lasted until the late twentieth century and the information wave which began in the 1960s and will last for many decades to come. According to him the first wave was driven by physical labour, the second wave by machines and blue-collor workers and the third by information technology and knowledge workers.

The contemporary speed of change, the enlargement of capacity for information transmission and the proliferation of communications media are very different from what has been experienced in the past. The extraordinary explosion of both technology and information has considerably reduced the twin concepts of time and space. In particular Information and Communication Technology (ICT) has emerged as perhaps the most dominant force in the global system of production although with significant ramifications in all other spheres of contemporary human existence (Kacowicz 1999). Improved communication reduced effective distance for the transmission of information. International telephone and fax traffic has become largely instantaneous, cheap and simple for individuals to access. The Internet provides a genuinely global system of communication and information. Satellite and cable TV and VHF radio have created an abundance of choice in news and entertainment. The augmented expansion of information technology in the past few decades resulted in a phenomenal growth of “outsourcing” of service in the world over.

During the third wave the process of information handling, transmission, storage and retrieval became the key to prosperity and qualitatively different way of life. Success in just about in any field has become impossible without information technology. In farming, manufacture, education, policing, medicine, entertainment, banking or whatever IT is apparently set to change everything that human beings do in advanced societies (Lyon 1988). Beginning of computing with tele-communications is considered to spell the start of the new age of information and communication age. Daniel Bell (1976) forecasts vast expansion of information technology and foresees major social changes resulting from the establishment of new tele communications infrastructure and he called it information society. Bell argues in the information society information technology shortens labour time and diminishes the production worker and actually replaces labour as the source of added value in the national product. Here the knowledge and information supersede labour and capital as the central variables of the economy. To Peter Drucker (1988) information society is post-capitalist society in which capitalists and proletarians are replaced by knowledge workers and service workers. And the economic challenge of this society is the productivity of knowledge work and knowledge worker.

Reflection and Action 20.3

Do you think the penetration of information and communication technology such as television, mass media, telephone, Internet etc. changed the parameters of kinship relationships? Discuss.

h) Outsourcing of Services

In a more and more globalised world, information and communication technologies became the backbone of the business world and there was a rapid growth of the information technology enabled services (ITES) around the globe. This sector became a major part of the IT industry. Business Process Outsourcing (BPO) forms an important part of the ITES industry. Outsourcing

is required in different areas like Finance, Health, Accounting, Human Resources of companies, etc. “Outsourcing” is the process through which one company hands over part of its work to another company, making it responsible for the design and implementation of the business process under strict guidelines regarding requirements and specifications from the outsourcing company. Thus BPO takes a set of activities and takes on the responsibility of reengineering the entire way the operation is done. This process is beneficial to both the outsourcing company and the service provider, as it enables the outsourcer to reduce costs and increase quality in non-core areas of business and utilise their expertise and competencies to the maximum.

The BPO services includes:

- a) Customer Service Interaction including Call Centers
- b) Back Office operations/Banking/Revenue/Accounting/Data Conversion/ HR etc. - Verticals such as banks and aviation require large-scale data processing and data based decision-making capabilities. Raw data and or paper documents are sent to remote locations (IT-enabled destination) where data entry and necessary reconciliation is carried out.
- c) Transcription Services - Medical transcriptions involve the transcribing of medical records from audio format or dictated by doctors or other healthcare professionals into either a hard copy or electronic format.
- d) Content Development/Animation etc.
- e) Data Research, Market Survey, Consultancy, Management etc.

BPO Opportunities in India

The BPO industry is built around the policy of efficiency and cost-effectiveness. In the contemporary period companies are increasingly outsourcing select business functions and related IT operations to expert partners. India’s abundant skilled manpower has made it a target destination for multinationals to back end their operations in India. With the advantage of English speaking population, low cost manpower and quality service, many companies are increasingly outsourcing their operations to India. India ranks high in areas such as qualifications, capabilities, quality of work, linguistic capabilities and work ethics, and thus is ahead of competitors such as Singapore, Hong Kong, China, Philippines, Mexico, Ireland, Australia and Holland, among others. Indian companies have unique capabilities and systems to set, measure and monitor quality targets. In specific ITES categories, Indian centers have achieved higher productivity levels, for example, the number of transactions per hour for back office processing, than their Western counterparts. Also, India is able to offer service without break and reduction in turnaround times by leveraging time zone differences. India’s unique geographic positioning makes this possible (<http://www.indiainfoline.com>).

The opening up of telecom sector in 1994 encouraged liberalised private participation in IT sector. This allowed the flourishing of BPO industry in India. Many state governments in India now offer incentives and infrastructure to set up IT enabled services. The new telecom policy of 1999 brought in further changes in telecom industry, which also ended the state monopoly on international telephoning facilities. This in turn heralded the golden era for ITES and BPO industry and leading to a spectacular growth of inbound/outbound call centers and data processing centers in India. The ITES industry, of which BPO forms a very important part, is expected to be a \$17 billion industry in India and generate over 1.1 million jobs by 2008. The sector has grown by 73% during the last fiscal and recorded revenues of Rs. 7,100 crore (NASSCOM).

Reflection and Action 20.4

Do you think women are more favoured by the BPO opportunities in India? If so why?

i) **Trade Related Intellectual Property Rights (TRIPS)**

A major problem that inventors faced for most of the 19th century, a period of rapid technological progress, was the absence of international regulations governing patent protection. While individual countries had quite effective patent laws and regulations, they varied from one another. Inventors had to apply for patents simultaneously in many countries so that an application for a patent in one country would not make it ineligible for the grant of a patent in all others, because it had lost novelty (Abraham 2001). By patent it means a convention granted by the State to protect the interest of the inventor/investor of a product.

According to the U.N., a patent is defined as a statutory privilege granted by the government to inventors and other persons deriving their rights from the inventor for a fixed period of years to exclude other persons from manufacturing, using or selling a patented product or from utilising a patent method or process (Baxi 1992). Through an international treaty, the Paris Convention for the Protection of Industrial Property, 1883, already existed; in the accelerated pace of globalisation and highly competitive atmosphere MNCs/TNCs demanded more security to their products. As a result the Agreement on Trade related Intellectual Property Rights (TRIPS) was negotiated as a part of the Uruguay Round of GATT and it became effective from the day WTO was formed, i.e., 1st January 1995.

With India becoming a signatory to the WTO agreement, it became obliged to follow the TRIPs regime. Till then India was governed by the Indian Patents Act, 1970, which permitted only process patents. The same product, for example a drug, can be produced by a number of alternative processes, each somewhat different from the rest. This made possible for Indian companies to produce any patented product, patented in other countries as well, following a slightly different process, without violating the patents' right under Indian law. This would no longer be possible under the WTO regime as India being a member will have to amend the patent law to allow both product and process patent. However, developing countries like India, which did not have product patent have been given time till January 2005 to amend their patent law. The amended Patents law was passed in the Indian Parliament on 22nd March 2005.

20.5 Social Dimension of Globalisation

It is strongly refuted that the current pace of globalisation reflects on the economic front only. The ramifications of globalisation process reflect directly in the social and cultural arena of human life as well. Consequently understanding social and cultural dimensions of the phenomenon of globalisation is essential to the development of a rational and considered response to it. The social dimension of globalization refers to the impact of globalisation on the life and work of people, on their families and their societies. Concerns and issues are often raised about the impact of globalisation on employment, working conditions, income and social protection. Beyond the world of work, the social dimension encompasses security, culture and identity, inclusion or exclusion and the cohesiveness of families and communities etc. In this section let us see some of the social dimensions of globalisation.

a) **Withdrawal of National Government from Social Sector**

The liberalisation of the economy resulted in a general reduction in the role of the State in economic governance. The reduction in the government's economic role reflected in a decline in the public spending. Total government expenditure in India in public spending increased at a per annum rate of 11.0% during the 1960s, 7.1% in the 1970s, 6.46% in the 1980s, but it declined to a per annum rate of 4.7% in the 1990s. The consequence of the reduction in the role of the government and the public sector and its replacement with private sector means that the access of people to employment, capital and social

services like education, housing and health services will be much less. The structural adjustment policies of the national government involving the relinquishing of economic activities from the public sector into the hands of the private sector, i.e., the state moving away from economic planning and leaving economic decisions to the market, will result in the withdrawal of social protection to the public. Reducing social benefits in order to reduce payroll fringe costs to increase competitive ability leads to “social dumping” which means a process that lowers production costs through low wages and substandard social conditions.

In India the social sector expenditure as a proportion to GDP had been stagnant in the 1990s and there had been a definite shift away from rural development (Dev and Mooji 2002). The share of health expenditure had been stagnant and that of education had been declining. The government is further trying to reduce the size of current expenditure by reducing expenditure on pensions, subsidies etc.

Box 20.4: Social Dumping

The industrial countries often accuse the governments of less developed countries of practicing social dumping in the sense of maintaining an underdeveloped welfare state to create a competitive cost advantage for their own industries. In particular they argue that the less developed countries deliberately neglect legislation for good social standards in terms of social fringe benefits, protection against injuries, pension schemes, co-determination rights and the like. To stop the seemingly unfair competition resulting from social dumping, they postulate an international harmonisation of social conditions and sometimes they even advocate retaliatory trade restrictions to enforce harmonisation. For example, restricting the import of carpets from India that are made by child labour. But at times the developed countries, in order to protect the interests of their industries, take it as a tool to restrict import from less developed countries where labor is comparatively cheap and hence the production cost, which enables the less developed countries to take over the market in developed countries with comparatively lesser priced products.

b) Labour Reforms and Deteriorating Labour Welfare

Deregulation and privatisation of state enterprises have been key components of structural adjustment programmes introduced by International Financial Institutions as conditionalities attached to aid packages to developing countries and for the acceleration of economic liberalisation. Labour market deregulation has been an important feature of the structural adjustment programme. There has been explicit deregulation, whereby formal regulations have been eroded or abandoned by legislative means, and implicit deregulation whereby remaining regulations have been made less effective through inadequate implementation or systematic bypassing. Such deregulation has been based on the belief that excessive government intervention in the labour market through such measures as public sector wage and employment policies, minimum wage fixing, and employment security rules is a serious impediment to adjustment and should therefore be removed or relaxed. States around the world has felt compelled to ease labour standards, modify tax regulations and generally relax standards of security and oversight in the bid to attract more and more FDI. This progressively lowered labour standards. The big corporate companies like TNCs and MNCs have evolved a vendor system of subcontracting for their production. The companies give out their work to labourers, through contractors, who in turn deliver the output to the company. This results in job insecurity of the labourer and worsening of labour welfare since there is no checking system for their welfare.

The current pace of globalisation also results in casualisation or informalisation of the work force causing low wages for labourers and less job security, although

it created employment opportunities to some of the work force. The growth of the informal sector means that the traditional employment related benefits and mechanisms of protection are not available to those employed in this sector. Increased mechanisation and use of new technology demand more skilled labour and displace unskilled labour. The new technologies and fast changing market – the resultant features of globalisation – also tend to make existing skills obsolete and require upgradation, new skills and multi-skilling. It also opens up new markets, which workers can reach by adapting existing or traditional skills.

Liberalisation of the economy has in some sectors caused loss of employment without creation of new employment. Opening up of the market and free flow of trade and low tariffs encouraged flow of foreign goods lowering the employment opportunities of Indian labourers. For example, thousands of silk spinners and twistors of Bihar have totally lost their job due to the import of China-Korea silk yarn as weavers and consumers prefer this yarn because it is somewhat cheap and shiny.

Reflection and Action 20.5

Analyse the impact of globalisation on labour conditions in India.

c) Feminisation of Labour

Women have entered the labour force in large numbers in countries that have embraced liberal economic policies. Industrialisation in the context of globalisation is as much female-led as it is export-led (UN 1999). The overall economic activity rate of women for the age group 20-54 approached 70% in 1996. The highest absorption of women has been witnessed in the export oriented industrial sector. This is especially the case in the export processing zones and special economic zones and in those labour intensive industries that have relocated to developing countries in search of cheap labour (Hillary 1999). Investors have demonstrated a preference for women in the soft industries such as apparel, shoe- and toy-making, data processing, semi-conductor assembling industries that require unskilled to semi-skilled labour. Nevertheless this did not ensure a better status for women in any way. The informal sector where women were absorbed in large numbers along with globalisation offer very poor labour conditions. Such industries where women were mostly engaged happened to be highly labour intensive, service oriented and poorly paid. In many countries workers in the export processing zones find unionisation and collective bargaining nearly impossible. In call centres in India women comprise an estimated 40% of the workforce.

d) Poverty

Opening up of economies was primarily visualised as a mechanism where trade would function as “an engine of growth” and the fruits of growth would “trickle down” to the poor. However, the results have been mixed, with many countries observing widening inequalities in their economies, contrary to the conventional trade theory prescriptions (Bardhan 2003). The internalisations of trade has opened up vistas for globalisation of production, creating profound changes in the labour market, such as widening wage disparity, increasing contractualisation of work, skill-based segregation of work, etc. The globalisation and liberalisation policies resulted in impoverishing more and more people of the lower strata the world around. Industrialisation and genetic engineering of food and globalisation of trade in agriculture accelerated poverty in the agriculture-based nations of the world. The globalisation of non-sustainable industrial agriculture adversely affected the incomes of the farmers of the developing and least developed countries through a combination of devaluation of currencies, increase in costs of production and a collapse of commodity prices, all resulting from the liberalisation of the economy.

In India the first generation reforms concentrated on the industrial economy and the agricultural and rural sector were neglected. In the urban sector the large metropolitan cities are the most immediately affected from liberalisation and globalisation, with significant changes in land use and work patterns. The claims made in the beginning of reforms that they are going to bring about employment growth does not seem to be true after studying the data for the post-reform period (Chadha and Sahu 2002; Sunderam 2001).

Economic liberalisation and globalisation had a direct impact both on rural and urban poverty. The substantial changes the institutional arrangement for rural credit, a key factor in helping the poor to escape poverty, due to the reforms in the banking sector have gone against the interests of the rural poor. The unsustainable development practices also lead to the impoverishment of the poor. The decline in social sector expenditure or stagnation in social sector expenditure in proportion to GDP also went against the interests of the poor. In urban areas, the large scale private investment, both foreign and Indian, led to the acquisition of city lands which in turn affected the poor, mainly slum dwellers, hawkers, destitutes, street dwellers as they were pushed out of the city to the peripheries which are marked by degeneration with low value employment and poor living conditions.

e) Unsustainable Development Practices

Sustainable development is defined as development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs. Under this definition development is not just limited to economic growth but is made to encompass environmental protection, and an equitable distribution of wealth and resources with the goal of improving and raising the standards and quality of living for everyone. The development practices followed the world over during the globalisation era marked by a high level of market competitiveness often seemed to follow unsustainable development practices.

For instance, in India the replacement of native seeds by imported hybrid seeds or cash crops resulted in more and more exploitation of ground water through tube-wells since these crops need more water. The over exploitation of the groundwater in turn resulted in the depletion of ground water level leading to famines and poverty. The high yielding hybrid seeds are vulnerable to pest attacks resulting in more use of pesticides. The indiscriminate use of chemical-based fertilizers, especially subsidised fertilizer, has created an imbalance between the essential mineral contents such as Nitrogen and Pottasium. There is a growing realisation of the degradation of land, water and environment due to the current pattern of agricultural production and its sustainability among the people (Chand 1999). The export oriented policy of the Indian government in the fisheries sector opened up the waters of the Exclusive Economic Zone to MNCs and TNCs for fish trawling. This resulted in the indiscriminate destruction of the marine eco system and the livelihood of the traditional fishing community.

Box 20.5: The Case of Plachimada Coco-Cola Company in Kerala, India

United States multinationals own 90 soft drink factories in India, Coca-Cola 52 and Pepsi 38. They describe these as bottling plants; actually they are pumping stations, each of which extracts up to 1.5 million litres of water a day from the ground. It takes nine litres of clean water to manufacture a litre of Coke. The processes used in manufacturing these soft drinks are inherently damaging. The extraction of groundwater deprives poor people of their fundamental right of access to clean water. The factories spew out toxic waste that threatens health and the environment. And the products themselves are harmful. The Indian Parliament has set up a joint committee to inquire into the presence of pesticide residues in soft drinks.

In March 2000 Coca-Cola opened a plant at Plachimada, a village in the Palakkad district of the southern state of Kerala, intended to produce 1.2m bottles of Coca-Cola, Fanta, Sprite, Limca, Thums Up, Kinley Soda and Maaza everyday. The conditional licence granted by the local Panchayat authorised the use of motorised pumps, but the company drilled more than six wells and illegally installed high-powered electric pumps to extract millions of litres of pure water. The level of the water table fell from 45 to 150 metres below the surface.

Coca-Cola then polluted what little water it had not stolen from the community. It started by dumping waste outside its premises. During the rainy season, this spread into paddy fields, canals and wells, causing a serious health hazard. The company abandoned this practice and began pumping dirty water into dry boreholes that had been drilled on-site for the disposal of solid waste. This contaminated the aquifers. As the water supply deteriorated, the local adivasi women had to travel about 5 km to fetch drinkable water. The women organised a dharna outside the factory gates to protest against the depletion of the groundwater.

Because of Coca-Cola's activities, 260 wells — sunk by the authorities to supply drinking water and meet irrigation needs — have run dry. This part of Kerala is known as the rice bowl but agricultural yields have plummeted. Worse, Coca-Cola has been distributing the toxic waste from its factory to the villagers as free fertiliser. Analysis has shown that this sludge is rich in cadmium and lead, both carcinogenic.

In 2003 the district medical officer advised the people of Plachimada that their water was so polluted that it was unfit for consumption. The adivasi women were the first to denounce Coca-Cola's hydro-piracy with their sit-in. Their initiative sparked national and international expressions of solidarity. In February 2004, the Kerala Government finally ordered the closure of the Coca-Cola plant.

Source: Vandana Siva 2005

f) Migration and Urbanisation

Migration is not a new phenomenon. People have always left their homes in search of better economic opportunities, both within and outside their own homeland. But the current pace of economic globalisation has put a new spin on global migration, causing global uprootedness and human displacement on an unprecedented scale. Estimates say that nearly 1 out of 6 people in this world, more than one billion people, are crossing national borders as migrant workers (Moussa 1999). Migration for many becomes not a choice but an economic necessity mainly because of the unequal development between nations, and between rural and urban centres.

Urbanisation is an important driving force for commuting because urban areas offer many economic opportunities to rural people. Urban labour markets offer opportunities to switch jobs rapidly, diversify incomes, and become upwardly mobile with a very low asset base and skills although there is a lot of variation in the rate of urbanisation around the world. The pattern of economic force, not the rate of economic force, acts as a determining factor in the increasing rate of urbanisation (Deshingkar and Anderson 2004). Economic growth based on the expansion of manufacturing industry, a trade mark of current globalisation, tends to be associated with higher rates of urbanisation while growth based on the expansion of agriculture is associated with the reverse. Though it is too early to say with certainty how agreements through WTO will affect urbanisation, it is predicted that if the economic growth pattern is shifting towards manufacturing, there is likely to be a higher rate of urbanisation than there would be with agriculture-based growth (Stevens et al 2004). It is likely therefore that countries such as China whose comparative advantage lies mainly in labour intensive manufactured produces will see an acceleration of rural-urban migration, both temporary and long term. The driving force will be the expansion of labour-intensive exports, which will boost the demand for labour in urban areas, and widen wage gaps between rural and urban areas. South Asia on the other hand is likely to have a greater emphasis on agricultural

produce and export of skilled services such as IT, both of which may not create such a great demand for labour in urbanised areas. At the same time cheap imports — a result of liberalisation measures and low import tariffs — can threaten local agricultural production systems with the result that illiterate people with a limited skills base might migrate to urban areas in search of work (see Box 20.4). There is also evidence that in India people move away from; farming sector due to macro-economic reforms where reduction of subsidies and removal of inter-district movements of grains have put smaller farmers out of business. In such cases the option before them is to migrate to places where there are better economic opportunities.

Box 20.6: Groundnut Farmers and Sericulture in Chittoor District, Andhra Pradesh, India

Groundnut was once regarded as the “wonder crop” that allowed small farmers in dry areas to use their family labour productively and earn good cash profits. It spread rapidly during the 1960s in the drought prone Rayalaseema region of Andhra Pradesh, and has been credited with breaking the system of bonded labour in the area. But the profitability of groundnut, like many other crops, has fallen over the 1990s due to rising input costs and drought. Lately diseases such as a bud necrosis have also led to heavy losses. In several parts of Ananthapur and Chittoor districts of Andhra Pradesh, groundnut used to be the first choice of dryland farmers during normal monsoon years. A common ex-ante coping strategy followed by dryland farmers in these areas was to plant horsegram or foxtail millet if they expect the rains to fail. But they continued with groundnut farming even through worsening drought and disease because just one good crop in three years would be enough to feed a family.

However this form of livelihood could not survive the added stress introduced by the liberalisation of edible oil imports. The import duty on edible oils was reduced from 65% in the mid-1990s to 15% by the end of the 1990s, Palm oil primarily. The share of imported edible oil, mainly palm oil, has increased from less than one percent in the early 1990s to about 45% by 2001. The government responded by increasing import duties but international prices declined further and other countries gave their exporters further concessions in order to capture the lucrative India market. Groundnut prices fell and many farmers who were locked into credit-sale agreements could not repay their debts. Hundreds of farmers in Rayalaseema have committed suicide because they could not recover their costs and pay back money that they had borrowed. A few with sufficient capital, skills and contracts diversified into mango orchards. Many more started migrating out to the cities in search of work.

Source: www.dbtindia.gov.in

g) Commercialisation of Indigenous Knowledge

The globalisation process invades territories, habitats and resources of indigenous people, which may lead to destruction of their way of life. Big corporate entities get access to indigenous knowledge and patent it for their gain and profit. The result can be that the indigenous people and the rest of the humanity will have to pay for access to the knowledge that will thus have been commercialised.

Pharmaceutical corporations in the United States of America under the auspicious of Human Genome Diversity Programme, are patenting the indigenous people themselves. They monopolise the use of seed, medicines and traditional knowledge systems and human genomes. Even the life supporting systems of humanity such as land, water, wildlife, aquatic life, mineral resources became commodities in the present globalisation process at the cost of the lives and livelihoods of vast majorities around the world. This may result in environmental devastation, social displacement, wiping out of cultural and biological diversity. Also, the centralised management of natural resources imposed by trade and investment agreements does not have space for intergenerational and intra-generational sustainability.

h) **Rising Inequality in Wealth Concentration**

Globalisation is a very uneven process, with unequal distribution of benefits and losses. In the ongoing process of globalisation investment resources, growth and modern technology are focussed in a few countries such as North America, Europe, Japan, and the East Asian countries, which are the newly industrialised countries of the world. The majority of the developing countries are excluded from the process and participating in marginal ways that are often detrimental to their interests; for example, import liberalisation may harm their domestic producers and financial liberalisation may cause instability (Nayyar 1997).

Globalisation affects different categories of countries differently. While growth and expansion is visible in fully participating countries, moderate and fluctuating growth is seen in some countries attempting to fit into the new globalised framework and marginalisation and deterioration are experienced by many countries unable to get out of acute problems such as commodity prices and debt. The uneven and unequal nature of the present globalisation process is manifested in the fast growing gap between world's rich and poor people and between developed and developing countries and in the large differences among nations in the distribution of gains and losses. Polarisation among countries has also been accompanied by increasing income inequality within countries. In India, average incomes rose more rapidly in urban areas than in rural areas between 1993 and 2000, implying the widening gaps between rural and urban areas (Deaton and Dreze 2002).

Reflection and Action 20.6

Urban migration is not a new phenomena but an orgoing process. Do you think urban migration increased in the recent decades. Economic the reasons for that.

20.6 Cultural Dimension of Globalisation

Globalisation has a profound effect on all our cultures and on the ways we live our lives. It has affected what we eat and the way we prepare our food, what we wear and the materials from which our clothing is made, it has affected the music we hear, the books we read, even the language we used to communicate with others. Globalisation has made certain languages extinct (dead language) or dying, for example, Latin. At the same time more people today are bilingual or multi-lingual than ever before. English, though in variant forms (e.g., British English, American English, Indian English) has become the lingua franca and the number of English speakers throughout the world is growing rapidly. The central problem of today's global interactions is the tension between cultural homogenization and cultural hetrogenisation (Appadurai A. 2003). While scholars like Mc Luhan talk about global integration and global village, which may result from the process of globalisation, and resulting cultural integration across borders, there have been apprehensions about cultural marginalisation or cultural exclusion as well. Global flows of goods, ideas and people and capital can seen as a threat to the national culture in many ways (HDR 2004). In the this sections let us see some of the cultural dimensions of globalisation.

a) **Increased Pace of Cultural Penetration**

Cultural change or cultural dynamics has always been a product of interaction with other cultures. Though individual cultures are capable of endogamous developments, cultural boundaries are quite often porous leading to the interpenetration of cultures. Cultural dynamism is the outcome of a process of mixing; borrowing and adapting cultural attributes and often the attributes that are borrowed and adopted come from cultures that are alien, distant and foreign.

Historically cultural dynamism has been greatest where trade and exchange in general have been voluminous and frequent. National and regional cultures are invariably a product of assimilation of various elements from other cultures, of a synthesis of elements that is a product of cultural interpenetration.

Seaports and river ports have historically been centres of cultures and civilisation. Today in the hi-tech communication era, in which ICTs made communication easier, faster and cheaper than in the past, more and more cultural interpenetration is taking place. In other words, we can put it that the acceleration of globalisation hasten the pace of cultural change.

Cultural interpenetration through the exchange of commodities is today so pervasive that it is difficult if not impossible to distinguish between original and imported cultural attributes. Consider a person drinking 'Turkish Coffee' in Istanbul. The coffee originated in Ethiopia, the sugar in India or New Guinea, the porcelain cup in China, the tablecloth in the restaurant is made from cotton, which originated from a plant domesticated in Central America, and the restaurant itself is a French invention. Likewise diseases, which originated in one place of the world, are exported to other parts of the world, e.g., HIV/AIDs exported from Africa to the rest of the world. The penetration of global music has resulted in the marginalisation of traditional music among different cultures of the world. Today, pop music and its local variations can be heard in all social settings from weddings to religious festivals and birthday celebrations.

b) The Globalisation of Culture

Trade agreements have removed all obstacles and resistance to corporate invasion and control of human society. With liberalisation of telecommunications, corporate culture is set to rule the world. Today the whole world is wired and plugged into the same TV programmes, movies, news, music, lifestyles and entertainment. Satellite cables, phones, Walkman, VCDs, DVDs and retail giants and other marvels and wonders of entertainment technology are creating the mass marketing of culture and expansion of consumer culture. This may lead to a homogenised global culture. In the case of the media industry, the logic of profit and competition has driven media corporations to enlarge media and space markets, and to break down the old boundaries and frontiers of national communities.

With the advancement of science and technology and the improvement of markets, the earth has turned into a global village. It has also resulted in the emergence of global mass culture due to the increase in consumerism. It may make for increasing similarities in life styles around the world evading local cultural heritage.

The contemporary global communication technologies lead to a globalisation of culture, which may undermine the meaning of community and traditional institutions and values of life. For example in India it has ended the tradition of story telling through which the old handed over their experience, culture, traditions, oral history and way of life to the young who had a sense of place and their roots (Mander 1996). Likewise the computers become the substitute for human interactions.

Our own culture is being systematically appropriated and "commodified". Folk and tribal festivals are being packaged and marketed through electronic media, plucked out of context and cut off from their roots (Panikkar 1995).

c) Development of Hybrid Culture

Like the two faces of Janus, globalisation at times has been inclusive and integrating and at other times unequalising and exclusivist. This is true of cultural impact also. As globalisation may lead to one single world culture or

**Development, Displacement
and Social Movements**

a homogenised culture, it is also likely to lead to new permutations, new combinations, new options and new cultures (Griffin 2004). Thus global encounters and interactions may produce inventive new cultural forms. In this sense there emerges a “third culture” or hybrid culture the trademark of which is social innovation and change co-existing with continuities and tradition in social and cultural life.

d) Resurgence of Cultural Nationalism

Globalisation also gives rise to active cultural campaigning to defend local identities. Nations reject global cultural integration and people remain loyal to local histories, identities and traditions. For example, European countries have campaigned against the threat of Americanisation (standardisation) and have defended the diversity and difference of European cultures. It is also possible to have attempts within the country by certain sections of people who refuse to integrate or adopt alien cultures as well as conduct massive movements against this trend. For example Shiv Sena activists have been campaigning against Valentine’s Day celebrations in India.

Reflection and Action 20.7

Which aspect of cultural dimension of globalisation i.e. globalisation of culture, hybridization of culture or resurgence of cultural nationalism, do you think is more dominant in your region. Argue your point with the help of newspaper or other media reports to support it.

20.7 Conclusion

Globalisation as we have seen is a far-reaching process having its imprint left, though in varying degrees, in all walks of contemporary human life. Through our discussions on definitions and the features of globalisation in the initial sections of this unit, we did understand that globalisation basically means increased interaction and interconnectedness in terms of social, economic, cultural, political, ecological etc. between and among the nations across the world. We had a detailed look at the economic, social and cultural dimensions of globalisation in the latter part of the unit. Under the economic dimensions of globalisation, aspects such as liberalisation, privatisation, foreign direct investment, infrastructure development, expansion of information technology, etc., have been discussed. We have also learnt the regulatory mechanism for international trade - WTO - and intellectual property rights. Among the social dimensions of globalisation we have had a look at the various social aspects that have an impact on the everyday life of social beings. Finally we also looked at the cultural dimensions of globalisation. We have seen how multifarious cultures interacting at an ever increasing speed and various cultures are farming under testing conditions. Side by side, there is a resurgence of cultural nationalism in various parts of the globe.

20.8 Further Reading

Hazel, Henderson 1999. *Beyond Globalisation: Shaping a Sustainable Global Economy*. West Hartford, CT: Kumarian

Khor, Martin 2001. *Rethinking Globalisation: Critical Issues and Policy Choices*. Books for Change: Bangalore

Battacharya, Purushottam and Roy, Ajitava Chaudhuri (ed.) 2000. *Globalisation and India: A Multidimensional Perspective*. Lancers Books: New Delhi

Unit 21

Liberalisation and Structural Adjustment Programme

Contents

- 21.1 Introduction
- 21.2 Defining the Terms
- 21.3 Internal Political Crisis
- 21.4 External Crisis
- 21.5 Liberalisation and the Current Account Deficit
- 21.6 The Official Crisis Management Schema
- 21.7 Revenue Issues
- 21.8 External Sector
- 21.9 Economic Reforms — An Appraisal
- 21.10 Conclusion
- 21.11 Further Reading

Learning Objectives

In the previous unit we have dealt with the various dimensions of globalisation. While dealing with the economic dimensions of globalisation, we have highlighted the significance of the structural adjustment programme in the emerging economic order. In this unit we shall discuss the various aspects of this programme to enable you to:

- explain the terms liberalisation and structural adjustment;
- examine the crisis which have led to liberalisation ; and
- examine the implications for revenue and issues in external sector liberalisation.

21.1 Introduction

In the previous unit we have already learnt what is globalisation and the economic, social and cultural dimensions of globalisation. It was mentioned there that in India globalisation process received an increased impetus in the early 1990s with the adoption of New Economic Policy (NEP) and the Structural Adjustment Programme (SAP) at the behest of international financial institutions. This increased the intensity of liberalisation and privatisation of Indian economy. In this unit we will be discussing the policies of liberalisation and structural adjustment programme in relation to Indian context. We will be tracing the various conditions, which have prompted the adoption of structural adjustment policies and liberalisation. In the following sections we will also be talking about the various implications the liberalisation policies have for the economy and consequently for society.

The most significant change that has occurred in the Indian economy since 1991 concerns the relative roles of the markets and the state. Since the programme has run itself through more than a decade and the medium-term outcomes of these economic decisions are available to us now, it is possible to take a stock of what we have achieved and what the future is likely to be. The former would ofcourse determine the latter.

One method of evaluating the reform programme would be to “interrogate” the outcome and to examine the current status of economic indicators. What

economists are not in agreement about is the set of variables to judge the reform process. In this unit, however, we will restrict ourselves to examining the macroeconomics of the reform programme and look at some of the variables around which the debate on economic reforms has evolved.

21.2 Defining the Terms

Let us start by defining what we understand by “liberalisation”. In common parlance liberalisation is the loosening up of controls, which the government exercises on economic forces. According to Ghosh (1998: 295), liberalisation means, “reducing government regulation of economic activity and the space for state intervention (except in the all-important matter of guaranteeing private property rights) and allowing for the unfettered operation of market forces in determining economic processes.” This could mean an opening up of the economy to external flow of goods and services or the relaxation of domestic controls. It is theoretically possible to undertake liberalisation in only one of the areas – domestic or external – but in most instances, as in India, both domestic and external fronts are simultaneously opened up.

Structural adjustment, on the other hand, relates to changes which have sectoral implications – tax rates, deficit and debt ratios, levels of subsidy, intervention of the public sector in provision of goods and services, etc. “Structural adjustment policies may be defined as policy responses to external shocks, carried out with the objective of regaining the pre-shock growth path of the national economy. Regaining the growth path, in turn, will necessitate improvements in the balance of payments following the adverse effects of external shocks, since a country’s balance-of-payments position constrains its economic growth. ... A broader definition will also include adjustments to internal shocks which may find their origin in inappropriate policies.” (*Balassa 1982 cf Chandrashekhar undated: 1*). Does this mean the economy left to market forces or does the government regulate the functioning of the market? Does it directly intervene with public expenditure and taxes to ensure outcomes in a manner that a social planner would like to? What are the areas that government expenditure gives priority to? What is its approach to deficits and social sectors? Are the interest rate and exchange rate market determined or institution determined? The answers to these questions would broadly define the structure of the economy. Once again, theoretically it would be possible to have structural adjustment without liberalisation and vice versa.

In the Indian economy, however, we have seen both a programme of liberalisation – domestic and external – as well as structural adjustment in the period since 1991, which marks a defining break in the way our economy has been managed.

The devaluation of the rupee in July 1991 was a landmark in Indian economic development since such a drastic devaluation had been done only once before in 1966. The rupee was devalued by 18% in nominal terms and this meant a fall in the value of the rupee by 12.4% in real terms (Virmani 2001: 31).

Prior to 1991, the Indian economy had a fixed official exchange rate, and the Reserve Bank of India (RBI) maintained the foreign currencies at stable values. The disadvantage of a fixed official exchange rate is that it does not maintain parity in purchasing power of the currency in the international market. If the rate of inflation in India, for example, is higher than in the USA, this would reduce the purchasing power of the rupee vis-à-vis the dollar and therefore the amount one should pay to buy a dollar in rupees should go up. This did not happen under a fixed exchange rate regime.

Logically, there would be a profit involved in buying the dollar cheap from official sources and selling it in the grey market. The government would exercise control in this scenario by severe restrictions on foreign currency withdrawals. However, there was a very active grey market for foreign exchange, which reflected the true value of the rupee in the world market.

However, this was the culmination of a series of developments that originated long before the actual devaluation (Martinussen 2001). Let us look into the internal and external factors that lead to the genesis of this 1990-91 crisis.

21.3 Internal Political Crisis

In 1989, the general elections saw the defeat of Rajiv Gandhi-led Congress party and the installation of a coalition government led by former Congressman Mr V.P. Singh. However, the inner wrangling within the coalition government saw Mr V.P Singh lose majority support in Parliament and Mr. Chandra Shekhar became the Prime Minister with the help of the Congress, which had been his political adversary till then. His government collapsed by the end of 1990 and general elections were declared as no single party or leader could muster a majority in the House. In May 1991, the Congress became the largest parliamentary party in an election, which witnessed the assassination of Rajiv Gandhi during the election campaign. Narasimha Rao became the Prime Minister and it was his ministry that brought in significant changes in the policy framework of the Indian economy.

21.4 External Crisis

The political uncertainty within the country was matched by turbulence in the international arena of which two were of critical importance to the Indian economy. The first was the break-up of the Soviet Union into its constituent nationalities and sub-nationalities. The Soviet Union and its Eastern European neighbours had very strong trade links with India, which were on a rupee account, i.e., trade with the former USSR was not in hard currency like the dollar. This meant that trade between these countries and India did not require hard currencies and was mutually beneficial. The surplus of Indian exports to Eastern Europe partly financed the capital equipment and defence supplies India imported. By 1991-92 these arrangements had broken down imposing a further crunch on the limited hard currency available to India.

As if this was not enough, our woes on the external account were further compounded when Iraq decided to attack Kuwait in August 1990. India is largely dependent on crude oil imports from the Gulf to meet its domestic demand for petroleum products. In the five-month period between August 1990 and January 1991, crude oil prices rose by 65% and India's import bill on the oil account rose by a similar degree. The impact of this on India was double because its long-term oil import contracts with both Iraq and Kuwait became infructuous and India had to buy oil in the world spot oil market at substantially higher prices (Virmani 2001: 4).

Reflection and Action 21.1

Discuss the political and economical circumstances that compelled India to adopt economic structural programme planned out by international financial institutions.

21.5 Liberalisation and the Current Account Deficit

India had a persistent current account deficit since oil shocks (see box 21.1) in 1973 and 1979 but some believe that the situation worsened from the mid-1980s when the Rajiv Gandhi government relaxed import restrictions on many items. The trade deficit grew rapidly in the 1980s and it was felt by some commentators that the trade liberalisation initiated in the mid-80s needed to be reversed to check the growing current account deficit and to avoid a foreign exchange crisis (Ghosh 1991).

However, politico-economic developments in 1989-91 made the trade deficit unsustainable and the Indian currency was perceived to be grossly overvalued. Remittances by Indian workers abroad were major source of foreign exchange for the country. However, these remittances declined both due to the international disruptions that followed the Iraq war and uncertainties in India. In June 1991, the finance ministry was put on “red alert” as the supply of foreign exchange reserves with the Reserve Bank of India dwindled to barely \$ 1 billion – enough to finance only 6 weeks of imports. The fiscal deficit, which measures the shortfall of the government’s revenues vis-à-vis its expenditures, was at an all time high nearing 8% as a proportion of GDP. Inflation in the economy was in double digits (about 12%). India was also close to defaulting on its debt service commitments on earlier loans, which it had obtained in the ‘80s to finance a growing trade deficit.

Box 21.1: The 1973 and 1979 Oil Shocks

The first world oil shock began soon after Yom Kippur or Arab Israel War in 1973 when the Arab members of the Organisation of Petroleum Exporting Countries (OPEC) announced that they would no longer ship petroleum to nations that had supported Israel that is to United States and its allies in Western Europe. At around the same time, OPEC-member states agreed to use their leverage over the world price-setting mechanism for oil to quadruple world oil prices. Real oil prices peaked well above \$43 per barrel in 1974.

Almost exactly five years after the first oil shock, the second began. It came in the aftermath of the Iranian Revolution. The upheaval in Iran has meant an interruption of oil supply and a loss to world production already as great as that from the 1973 embargo. With Iranian oil exports curtailed from late 1978 to the fall of 1979, the oil price nearly tripled— rising from \$13 to \$34 per barrel. This price disturbance hit a world economy that was only about three years into recovery from the first oil shock. The second oil shock hit a world that was trapped in a vicious inflationary spiral. Both these oil shocks were comparatively persistent taking 3-5 years until real price of oil fell back significantly affecting the economies of almost all nations around the globe.

In these circumstances, India was forced to approach the International Monetary Fund to help it tide over the external account problem (Acharya 2001, Pinto and Zahir 2004). The foreign exchange crisis, it is widely believed, paved the way for initiating the process of liberalisation and structural adjustment as part of the multilateral conditionalities on the loan sanctions (similar to the ones in Latin America and Africa). The domestic government justified the acceptance of these conditionalities citing the delicate forex reserves status.

Numerous changes in the Indian economy followed under the direction of the then Finance Minister, Dr Manmohan Singh. Industrial delicensing and trade liberalisation along with fiscal “consolidation” were the main focus areas of the reform process.

Questions that were debated at that time were: what should the sequencing of reforms be and which sector should take priority? With a bunch of domestic problems needing to be tackled urgently – rising inflation, fiscal deficit, trade deficit, and low forex reserves – many argued that liberalisation should be secondary to the needs of fiscal stabilisation.

What do we mean by stabilisation? When there is a shock to the economic system, economic activity can deviate from a historically established level – growth may slow down, unemployment may rise and despite deflationary pressures inflation may go up. This could develop into a vicious cycle feeding on each other and derail any growth prospects of the economy.

How does this work? Let us say there is an oil price rise because of a shock in the international market (like a war or natural calamity), and this leads to an increase in the price (cost) of production, which reduces demand. When demand falls, producers feel that in the next period too there will be further

decline in demand and therefore reduce their investment and also the number of people they hire. The reduction in number of people in the employed pool reduces consumption expenditures leading to a further fall in aggregate demand thereby creating a vicious cycle.

In such circumstances, the only way an economy can recover is by the intervention of an autonomous agency and pushes up the demand in the economy. Since no individual rational agent in the economy has any incentive to increase its demand, the state is the only autonomous agent that has an interest and a mandate to ensure the recovery of the economy and to break this vicious circle. If the intervention is large and sustained, it would stabilise the economy and many economists argue that stabilisation must precede the liberalisation programme. If liberalisation is undertaken, then it must be to meet the stabilisation targets of reducing inflation, a fiscal and trade deficit, and to increase foreign exchange reserves.

21.6 The Official Crisis Management Schema

In the aftermath of the 1991 oil shock that was followed by Kuwait invasion by Iraq were, the immediate tasks at hand – reduce inflation, cut fiscal and trade deficit, increase forex inflows and bring the economy out of depression, especially industrial recession. The view amongst the economic managers of Dr. Singh's team was that the high fiscal deficit was leading to an over-heating of the economy – it was increasing the aggregate demand in the economy, causing an increase in prices which was also spilling over to the external account and increasing the trade deficit. The increased fiscal deficit meant higher borrowing by the government to finance its expenditures. This raised interest rates in the economy, and “crowded out” private investment.

A reduction of the fiscal deficit, on the other hand, would have a positive impact – it would bring down the interest rate, reduce the interest burden, have deflationary pressures which would bring down prices and help close the trade gap. Since, one single variable (the fiscal deficit) was held responsible for all this, it is but obvious that the target of adjustment policy was the reduction of the fiscal deficit (Acharya 2001: 21).

The three commonly used measures are: Revenue deficit = Revenue expenditures – Revenue receipts; Fiscal deficit = Revenue deficit + Net capital disbursement; and Primary deficit = Fiscal deficit – Disinvestment receipts – Gross Interest payments. Prior to the economic reforms, the most common measure of the government's balance was the “budget deficit”. However, this was found to be too narrow a measure of the government's overspend and therefore the fiscal deficit was adopted as the standard measure of the government's overspend.

There are two related questions that come up here – this single-minded effort to reduce fiscal deficit, (a) is it justifiable and (b) has it yielded results?

The neo-liberal economic doctrine described above that was propagated by the World Bank and IMF linked all ills of the economy to the rise in fiscal deficit (see for example Acharya 2001 for the official position). However, Rakshit (1998) found that the empirical evidence in support of the structural adjustment programme was weak – rate of inflation and the export-import gap had little to do with the level of fiscal deficit calling into question the very justifiability of the structural adjustment programme. Ghosh (1998) felt what was required to stabilise the economy was not further trade liberalisation but agrarian change, since the bulk of the Indian population was dependent on this sector.

In the first two years of the reform programme, the Centre introduced severe budgetary cuts, which were directed at reducing subsidies, social sector

spending and capital expenditures. As a consequence of this, revenue deficit as well as the fiscal deficit declined briefly (see Table 1). But by the mid 90s, these returned to the pre-reform level. In fact, the revenue deficit persistently exceeded the 1990-91 figure by 1998-99. The share of the revenue deficit in the fiscal deficit grew from below 50% to 78%. This means that excess government spending was not for asset creation but for consumption purposes. From Table 1 as you can see, it seems that the fiscal deficit itself has been declining. And that should be reason to cheer.

Table 21.1: Trends in deficits of Central Government (All items as a proportion of GDP)

Year	Revenue Deficit	Primary Deficit	Fiscal Rev. Deficit	Deficit as a proportion of Fis. Deficit
1990-91	3.3	2.8	6.6	49.4
1991-92	2.5	0.7	4.7	52.7
1992-93	2.5	0.6	4.8	51.7
1993-94	3.8	2.2	6.4	59.2
1994-95	3.1	0.4	4.7	64.6
1995-96	2.5	0.0	4.2	59.2
1996-97	2.4	-0.2	4.1	58.2
1997-98	3.1	0.5	4.8	63.5
1998-99	3.8	0.7	5.1	74.8
1999-00	3.5	0.7	5.4	64.6
2000-01	4.1	0.9	5.7	71.7
2001-02	4.4	1.5	6.2	71.1
2002-03	4.4	0.5	5.3	82.2
2003-04(Prov.)*	3.6	0.1	4.6	78.0

Source: Economic Survey 2004-05. Table 2.1 and 2.2 pages 19-20 and previous issues

However, a closer look at the data tells another story. The Centre’s deficits are only a part of the overall deficit of the Centre and states combined. Table 3 clearly shows that the revenue deficit has increased persistently and fiscal deficit has hovered around the pre-liberalisation figure. So, despite the fairly robust growth of the economy, and the wide-ranging fiscal changes that have been undertaken, we continue to have a government that invests too little and consumes too much. Further, the Centre very quietly is passing on its fiscal responsibilities to the states so while the Centre seems to be improving its fiscal performance, it is the states which have to suffer the fiscal burden of reform.

The major problem — large debts and deficits — pose for any government is the burden of servicing the debt. In fact, the central government has an interest liability amounting to more than 4.5% (as a proportion of GDP). This is a large drain on the government’s limited revenues and squeezes expenditures on other heads.

Table 21.2: Combined deficits of the Centre and the states

Year	FD	RD
1980/81	7.5	0.4
1981/82	6.3	-0.6
1982/83	5.9	0.2
1983/84	7.3	1.1
1984/85	9.0	2.1
1985/86	8.0	1.9
1986/87	9.9	2.4
1987/88	9.2	2.9
1988/89	8.5	2.9
1989/90	8.9	3.2
1990/91	9.4	4.2
1991/92	7.0	3.4
1992/93	7.0	3.2
1993/94	8.3	4.3
1994/95	7.1	3.7
1995/96	6.5	3.2
1996/97	6.4	3.6
1997/98	7.3	4.1
1998/99	8.9	6.3
1999/2000	9.0	6.4
2000/2001	9.5	6.3
2001/2002	9.6	6.6
2002/2003	9.9	7.0
2003/2004 (P)	9.4	5.8

where FD = Fiscal Deficit, PD = Primary Deficit, RD = Revenue deficit

Source: Economic Survey, Various Years.

21.7 Revenue Issues

The government could however reduce its deficit by increasing revenues – by either increasing taxes or through higher profits of the public sector enterprises. As part of the reform package, in order to reduce its liabilities, the government decided to sell its non-profit making enterprises. Expectedly, there were no takers, because these were companies acquired by the government when the private sector was unable to run them. Since disinvestment was a stated policy of the government, it decided to sell the profit-making companies, thereby closing future sources of revenue. In 1999 the department of disinvestment was formed by the Indian government with a view to establishing a systematic policy approach to disinvestment and privatisation and to give fresh impetus to the govt's disinvestment programme.

Taxes form the major source of revenue for the government. In the initial phase of the structural adjustment programme, a series of reform measures were undertaken both on the direct and indirect tax front. The tax rates were reduced substantially with the hope that reduced tax rates would result in greater tax compliance. Further, attempts were made to increase the tax base by using non-income measures such as possession of mobile phones, luxury

cars etc. to determine tax liability because it is widely acknowledged that there is gross underreporting of incomes.

However, despite all these measures, there was a decline and stagnation of tax revenues (when measured as a proportion of GDP). The tax-GDP ratio has not been able to climb back to the pre-reform period, which has severely affected the fiscal position of the government (see Table 3). A part of the decline can be attributed to the reduced customs collections since the process of liberalisation entailed a reduction of import duties and taxes.

There is, however, one thing to cheer about here – the share of direct taxes has gone up from a lowly 19% at the beginning of the reform period to a respectable 41% in 2003-2004. It is important that the bulk of tax revenue be raised from direct taxes otherwise the tax system will be considered “regressive”. Indirect taxes impose the same burden irrespective of the income earned by individuals, which is undesirable under the principles of “Ability to Pay”. According to this principle, the tax burden must increase with income.

Table 21.3: Tax Revenues

Tax revenue as a percentage of gross tax revenue GDP	Tax revenue as a percentage of gross		Tax revenue as a percentage of		
	Direct	Indirect	Direct	Indirect	Total
1990-91	19.1	78.4	1.9	7.9	10.1
2003-04 (Prov)	41.4	57.9	3.8	5.3	9.2

Having discussed the revenue options of the government to finance its expenditures, we now turn to issues of borrowing – debt and its sustainability. Herein we will examine the debt liability status of the centre and this would link up with the discussion on rising revenue and fiscal deficit. When the tax and non-tax revenues are insufficient to meet the expenditure requirements of the government, the deficit can then either be financed by increasing the currency in circulation (printing more money) or by borrowing – increasing debt. The first option can be fraught with one kind of danger – it could lead to inflation in the economy. Since one of the targets of reform was to keep inflation under check, monetisation of the deficit, at least not all of it, was not a valid option.

The next option was to increase market borrowing. Though there may not be a direct inflationary impact of this, the flip side is that there is an increase of debt liability, debt servicing obligations and also fiscal vulnerability of the government. Patnaik (1986) has, however, demonstrated that financing of deficit by directly selling in market as opposed to the process of borrowing from the central bank is not necessarily less (or more) inflationary when the credit market does not clear and there is an excess supply of credit that the banks are saddled with.

In India, the debt-GDP ratio has risen over the reform period but this has been mainly on the domestic front (see Table 4). The external debt (as a proportion of GDP) has actually declined to 1.7% in 2003-04 from 5.5% in 1990-91. While increase in debt is not desirable, the fact that most of it is domestic has one advantage – at least the debt servicing is in domestic currency. This means that foreign currency is not required for repayment of loans to international lenders and this reduces the external vulnerability of the Indian economy. However, a secular rise in the debt even if domestic is not desirable as it could leave the economy vulnerable to a fiscal crisis (*Rakshit 2004*, Pinto and Zahir 2004, Singh and Srinivasan 2004).

Table 21.4: Liabilities of the Centre (as a percentage of the GDP)

Year	Internal liabilities	External debt (outstanding)*	Total outstanding liabilities
1990-91	49.8	5.5	55.3
1999-00	49.7	3.0	52.7
2000-01	52.8	3.2	55.9
2001-02	56.7	3.1	59.9
2002-03	60.7	2.4	63.1
2003-04 (P)	60.9	1.7	62.6

Source: Economic Survey 2004-05 page 30

The other area of concern that had emerged during the crisis of 1990-91 was the management of the external account. Trade deficit, which had grown steadily over the 1980s and was financed by short-term borrowing in the international market, created a payment crisis at the time of the Kuwait-Iraq war, forcing India to seek an IMF loan. As part of the loan conditionalities, India was asked to liberalise its external sector (imports and exports) and make the current and capital account fully convertible. After the East Asian crisis, which many felt was exacerbated if not caused by an open capital account, India slowed its move to a fully convertible capital account.

21.8 External Sector

Liberalisation on the external account implies making the flow of goods in and out of the country easier. This can involve a reduction in procedures as well as tariffs or removal of quotas. Quotas on import of various commodities had earlier been introduced because the government wanted to offer domestic industry an assured market in which to establish itself.

The removal of quotas meant that goods could be imported in any amount on payment of appropriate tariff. In the reform period, there has been a substantial increase in exports, but the trade balance continued to be negative as imports grew faster than exports (see Table 5). However, the positive side to this is that an increase in net inflows of invisibles has moved the current account balance to be positive from 2001-02.

Table 21.5: Current Account Balance (as a percentage of the GDP)

Year	Exports (2)	Imports (3)	Trade Balance (4) = (2) - (3)	Net Inflows on "Invisibles" (5)	Current Account Balance (6) = (4) + (5)
1980-81	4.8	9.2	-4.4	3.2	-1.2
1985-86	4.4	8.1	-2.9	1.7	-1.2
1989-90	6.4	9.3	-2.9	0.6	-2.3
1990-91	5.8	8.8	-3.0	-0.1	-3.1
1998-99	8.3	11.5	3.2	2.2	-1.0
1999-00	8.4	12.4	-4.0	2.9	-1.0
2000-01	9.9	12.7	-2.7	2.2	-0.5
2001-02	9.4	11.8	-2.4	3.1	0.7
2002-03	10.6	12.7	-2.1	3.3	1.2
2003-04(P)	10.8	13.3	-2.5	4.3	1.8

Source: Economic Survey 2004-05 page 110

In recent years, the current account and capital account are both positive, which implies that the foreign exchange reserves have been rising rapidly. Table 6 shows that in the net inflow on the capital account of the last few years there has been substantial inflow of funds from Foreign Institutional Investors into the stock markets which has increased the foreign exchange reserves to “unsustainable” levels. There have been suggestions from some economists that the rising foreign exchange in the RBI’s coffers should be used for financing imports for infrastructure. This is fraught with danger since it amounts to borrowing in the international market. The increase in reserves is due to short run stock market inflows, which could exit with ease at little notice, and the RBI would have to come up with the necessary hard currency. If India chooses to invest these reserves in infrastructure it would have two flaws: (a) it would be borrowing short to invest long which runs the risk of a liquidity crisis, (b) infrastructure is not a foreign exchange earning area, therefore these projects even in future would not generate the necessary foreign exchange for repayment (Patnaik 2004, Rakshit 2004).

Table 21.6: Capital Account Balance (in \$ US million)

Year	Capital Account Balance
1990-91	8402
1997-98	9393
1998-99	7867
1999-00	10840
2000-01	8508
2001-02	8357
2002-03	10640
2003-04 (P)	20860

Source: Economic Survey 2004-05 page 109

Let us discuss the external sector reforms in a little more detail. The liberalisation of the external account involved not only an easier flow of goods but also a large devaluation of the currency and a simultaneous move from a system of fixed exchange rates to a “managed” float.

Devaluation, theoretically, is good news for exporters because their goods become relatively cheaper in the international market and imports become more expensive resulting in a decline in the demand for imports in the country. The trade balance should therefore improve. However, if the domestic industry is undergoing inflation and imports are liberalised, then it could have the opposite effect, especially if exports are elastic and imports are not. A commodity is said to have elastic demand if a small price fall brings about a proportionately larger change in quantity demanded. So if exports are elastic and imports are not, then the import bill will rise further after devaluation since we will import the same volume of goods. In an inflationary situation, even after devaluation, if exports are elastic, we will not see an equivalent rise in the volume of exports. Therefore, the trade balance could worsen even when devaluation occurs in the process of external sector liberalisation.

There have been more serious fears about the domestic consequences of import liberalisation – it could lead to de-industrialisation. Much of the discussion on de-industrialisation here borrows from Patnaik (2003). De-industrialisation here is defined as a situation where there is a decline in the work force of the industrial sector due to a decline in aggregate demand, which pushes people out of the work force (Patnaik 2003: 1).

This could happen on three counts. The first and most straightforward one is where imports exceed exports and the current account balance is negative. This implies that there is a decline in demand for domestic goods, which reduces employment. In the second instance, de-industrialisation could occur even in the presence of a trade balance of export surplus where the agricultural surplus instead of augmenting production or demand in the domestic economy is used to consume imported goods. This is the classic colonial drain situation where the colonial ruler would siphon off a part of the surplus to the metropolis without either generating adequate demand for non-agricultural goods or augmenting the productivity of the land. This killed the market for domestic non-agricultural goods, which led to de-industrialisation. In the third instance, which is representative of modern day globalised economies, assume that we have an open capital account with a flexible exchange rate. If for some reason there is an increase in capital inflow, then the rupee will become more valuable vis-à-vis the foreign currency. This would make the imported commodity less expensive as compared to the domestic good even in the home market. Consumers will switch from domestic goods to imported goods thereby reducing domestic production and employment.

In such circumstances, the state could autonomously act by increasing expenditure to counteract the de-industrialisation. But even that may be curtailed by multilateral agency pressures who believe in “prudent finance” policies to balance budgets even at the cost of rising unemployment in the economy. The exercise of trying to curb fiscal deficits in India therefore must be seen with care since it is now well accepted that the decade of the 1990s was a period of “jobless growth”.

There are two possible ways of reducing the fiscal deficit – pruning expenditures or increasing tax and non-tax receipts. It is politically easier to cut expenditures where there are no lobby groups opposing this, unlike increase in taxes which is politically undesirable. For example, social sector and capital expenditure reductions attract the least direct opposition, as the immediate effect of the decline is not felt by the current generation. It is therefore no surprise that these are the two areas, which have seen substantial reductions in expenditures as a proportion of the total national income.

Public expenditure as a proportion of GDP has declined from about 30% at the beginning of the reform period to 27% at the end of the 90s (see Table 7). The share of capital expenditures as well as the share of development expenditures has also declined substantially over the decade of the 1990s. Capital expenditures impact on long term growth since these are in the nature of infrastructure investments. Social sector expenditures enhance human security by ensuring access of the citizen to affordable healthcare and education. Reduced expenditures in both these areas therefore have long-term impacts on accumulation of physical assets as well as the growth of human capital in the economy (Balakrishnan 1996).

Table 21.7: Combined (Centre+States) Public Expenditure as PerCent of GDP and Capital Expenditure as PerCent of Public Expenditure

Year	Public Expenditure	Capital Expenditure Expenditure as a proportion of Total Public Expenditure (Revenue + Capital)	Development Expenditure as a proportion of Total Public Expenditure
1987-88	30.6	22.7	56.8
1988-89	29.3	21.3	55.9
1989-90	30.3	21.1	56.4
1990-91	29.1	19.5	54.3
1991-92	28.8	20.9	53.6

Development, Displacement and Social Movements	1992-93	28.1	18.6	50.8
	1993-94	28.2	17.6	49.5
	1994-95	25.6	15.4	50.0
	1995-96	24.7	14.7	47.5
	1996-97	23.8	11.8	48.4
	1997-98	24.5	12.9	47.8
	1998-99	25.4	13.3	46.3
	1999-00 (R)	27.3	12.2	46.7

Notes: RE= revenue expenditure;
Source:Computed from the data available in Indian Public Finance Statistics, Ministry of Finance, Gol,various issues as reproduced in Dev & Mooij (2002: 854).

Let us now turn attention briefly to the social sector. The social sector includes Education, Health (and Family Welfare) and Rural Development. One of the core arguments of neo-liberal ideology is that intervention by the state should be restricted to social development and defence, which are its fundamental duty, and economic activity should be left with the private sector. Going by this logic, we should expect that irrespective of allocation changes in other sectors, in the social sector there should have been an increase. However, in the 1990s, there was lower social sector spending by the Centre as well as the states combined as a proportion of GDP even though there seems to be an increase in per capita expenditures in the social sector (Dev and Mooij 2002). What this implies is that the increase in social sector spending has not matched the increase in GDP in the reform period.

Table 21.8 : Social Sector (Social Services + Rural Development) Expenditure by Centre and States as a proportion of GDP

Year	Social Sector Exp (Revenue +Capital)	Social Sector Exp (Revenue)	Per capita expenditure at 1993-94 prices
1987-88	7.74	7.23	562
1988-89	7.40	6.95	583
1989-90	7.64	7.23	633
1990-91	6.78	6.43	623
1991-92	6.58	6.21	599
1992-93	6.39	6.06	594
1993-94	6.46	6.16	623
1994-95	6.41	6.06	633
1995-96	6.40	6.10	675
1996-97	6.48	6.15	739
1997-98	6.60	6.29	789
1998-99	6.94	6.60	890
1999-00(R)	7.55	7.11	1027

Note: R: revised estimates
Source: Estimate based on data from Indian Public Finance Statistics, Gol, 1995 and 2000-01 as presented in Dev & Mooij (2002: 856).

21.9 Economic Reforms – An Appraisal

Finally, we need to understand the impact of the reform process with respect to two not unrelated measures – the rate of growth of incomes and its distribution. The first is fairly easy to establish since we have data for per capita incomes as well as aggregate national income published annually by various government sources. It is true that the rate of growth in the Indian

economy during reform period has been much higher on the average than in any other phase in the post-Independence era. So, on that count, economic reforms have something to celebrate about. It remains a moot question whether the economy would have done better (grown faster) if the earlier policies were pursued, and this is more difficult to establish. As Table 9 indicates, the GDP growth rate and the per capita growth rate have been higher in the reform period.

Table 21.9: Rate of growth of the GDP and per capita incomes

Period	1970-71 to 1979-80	1980-81 to 1989-90	1992-93 to 2000-01	1992-93 to 1996-97	1997-98 to 2000-01
GDP	2.95	5.81	6.1	6.68	5.35
Per Capita	0.73	3.67	4.17	4.75	3.42

Sources: RBI, Report on Currency & Finance, 2000-01; RBI Handbook, 2001;Economic Survey, 2001-02 as quoted in Rakhsit (undated)

On the second issue regarding distribution, there is wide divergence between the official estimates (and its adherents) and the dissenters. The official estimates suggest that poverty has declined to 27%, (some even went to the extent of arguing that this was an overestimate) (Sundaram and Tendulkar (2003), Deaton and Dreze (2002)). However, Sen and Himnagshu (2004) debunk these findings and suggest that during the 90s, the claim of poverty decline by earlier studies is not tenable due to miscalculations. They conclude that not only has poverty not declined but inequality in all dimensions has increased sharply during in the 1990s which makes this decade unique - it was the first decade in post-Independence India when inequality increased (see unit 20). However, all these measures of poverty use an indirect way to measure poverty — an income measure of the poverty line which is actually meant to be linked to an energy requirement measure — 2400 and 2100 calories for rural and urban areas per adult person.

U. Patnaik (2004), using calorie-based estimates to measure poverty finds the picture to be even more alarming. In the course of the last five years (1998 to 2003), the level of per capita foodgrains absorption has been lower than seen in the last 50 years. Between the early 1990s and 2003 the annual absorption of foodgrains per head has come down from 177 kg to 155 kg. The decline has accelerated in the second half of this period and 80% of the decline has been in the five-year period 1998-2003 and has been concentrated largely in the rural areas. Using the National Sample Survey data for calorie intake, she finds that in 1999-2000, seven-tenths of the rural population was below the norm of 2400 calories per day (the norm originally adopted in all poverty studies), and about two-fifths of the urban population was below the lower urban norm of 2100 calories.

To conclude, the period of the reforms has been one where numerous changes have occurred structurally. The role of the market is much greater than it ever was in independent India. The rate of growth has been higher in this period. But its distribution has been unequal which raises questions on the justifiability of the reform process especially when actual deprivation seems to be on the rise due to the process of global integration.

21.10 Conclusion

We have discussed in detail two of the important economic aspects of globalisation; liberalisation and structural adjustment programme with special reference to India. Liberalisation, as we have seen, is loosening up of controls, which the government exercises on economic forces that lead to opening up of the economy to external flow of goods and services or the relaxation of domestic controls. And the structural adjustment means a series of policy

**Development, Displacement
and Social Movements**

shifts by the national government with regard to the economic, political and social affairs.

The unit delineates on the national and international politico-social circumstances, which lead to the adoption of the national policies that drastically increased the pace of globalisation and liberalisation in India. The unit also explores various economic parameters for accessing the economic growth in India especially since the adoption of the economic reform policies. Attempt is also made to analyse the implications of this reform policies in the social and other sectors in the society. When we make an appraisal of the impact of the reform policies in the economic and social fronts it is obvious that though the growth in the economic front is phenomenal, the question of whether it has been transformed into the social sector remains doubtful.

21.12 Further Reading

Ghosh, J. 1998. "Liberalization Debates". In T.J Byres (ed.) *The Indian Economy: Major Debates Since Independence*. Oxford University Press: New Delhi

Nayyar, D. 1996. *Economic Liberalisation in India: Analytics, Experience and Lessons*. Orient Longman: Hyderabad



Unit 22

Globalisation, Privatisation and Indigenous knowledge

Contents

- 22.1 Introduction
- 22.2 Globalisation, Liberalisation and Free Trade
- 22.3 World Trade Organisation (WTO)
- 22.4 Trade Related Intellectual Property Rights (TRIPs)
- 22.5 Domination of the Developed North in WTO
- 22.6 Implications of TRIPs for the Third World Countries
- 22.7 Indigenous Knowledge and Biopiracy
- 22.8 Protection of Indigenous and Traditional Knowledge
- 22.9 Conclusion
- 22.10 Further Reading

Learning Objectives

This unit will help you critically evaluate the various aspects of globalisation, Intellectual Property Rights (IPRs) and indigenous knowledge by introducing you to:

- globalisation and its relation to free trade;
- the role of WTO as a regulating body of world trade;
- the rules and agreements related to patents;
- the patent regimes and the implications for indigenous and traditional knowledge;
- the need for protection of traditional knowledge and community rights.

22.1 Introduction

Another important aspect of globalisation the indigenous knowledge system and the impact of global measures to protect the interests of patents on the indigenous knowledge will be discussed in this unit. WTO and the developed countries argue that the compulsory imposition of TRIPs is with the aim of checking piracy and to give protection to innovative inventions. But many a times this can go against the interests of indigenous/laypersons' common knowledge especially of the developing countries. Let us see how it can happen.

In May 1995 US patent office granted a patent to the University of Mississippi Medical Centre for "turmeric", for its wound healing capability. The implication of this is that if you are found using turmeric for wound healing without permission or payment you are liable for persecution. It is an absurd situation for millions of Indians who have been using turmeric for centuries to even to imagine that one has to pay royalty for use of turmeric or to imagine that it is a new invention.

The patent was challenged by a watchful Indian scientist, Dr. R. A. Mashelkar, who took up many issues related to Intellectual Property Rights (IPR), and brought awareness on little realised dangers in the IPR regimes and World Trade Organisation (WTO) practices. After nearly four months of contesting the patent, it was established that the use of turmeric was well known in India.

The patent was annulled but this was not the only traditional or indigenous knowledge and practice, which was nearly appropriated for commercial use and for profit. Mexican beans, South Asian basmati, Bolivian quinoa, Amazonian ayahuasca, West Africa's sweet genes, among many others, all have been subject to intellectual property claims that are predatory on the knowledge and genetic resources of indigenous peoples and farming communities.

Big multinational companies and pharmaceutical companies are constantly on the lookout to tap knowledge and products for commercial and profit making purposes. Patents, which are meant to protect the creative and innovative efforts, are being increasingly used to have exclusive rights on, what many times has been, a common knowledge of a community or a tradition. Brazil which has the world's richest bio-diversity has attracted many companies, and it is believed that more than half of the plant species in the rain forest of Brazil have been patented.

As you can see, to be not able to use *neem* or turmeric, because it has been patented by a private company for commercial purposes, is truly illogical for those of us who are familiar with the use of *neem* or turmeric in our everyday life. The discovery of the healing properties of these two plant species cannot be attributed to any one single person, such that the person can apply for a patent. It is a knowledge that has been passed down from generation to generation and nobody has exclusive rights over this knowledge. So, what has changed? Why has common property and knowledge become exclusive? In what way are traditional communities and indigenous populations affected by patent laws, which allow exclusive rights over knowledge or products? What has globalisation or WTO anything to do with it?

Let us see whether some of these questions can be answered in this unit. To understand some of these questions and many more, we need to see the issue of patents and indigenous knowledge within the backdrop of globalisation and the economic dimensions and implications of globalisation. So we will start the unit by trying to recapitulate some of the basic features of globalisation in terms of its free trade and liberalisation. We will subsequently look at the World bodies such as WTO, which regulate some of the functioning of free trade, through regimes such as TRIPS etc. Following this we will examine the patents regime and the implications it has for people who do not believe in private ownership or exclusive rights such as the indigenous people. We will also try and understand the alternatives available and strategies as well as the response of the poorer Third World countries and by the indigenous communities to the various aspects of patent laws and philosophy.

22.2 Globalisation, Liberalisation and Free Trade

There are several aspects to the process of globalisation process, which we have discussed in detail in unit 20. The unit which is on socio-economic and cultural dimensions of globalisation has also pointed out that while scholars may define globalisation in different ways they all do agree that the present process and phenomena points out to an increasing intensity of flows between goods, people, finances among many other things. The intensity of interaction is such that events in one place are affected by process taking place many miles away and vice-versa.

Globalisation brought about internationalisation of economic activities, especially with US and UK taking to greater interest in market coordination during 1980s. There was greater emphasis on private enterprise during Ronald Reagan and Margaret Thatcher's regime in US and UK respectively. During this period there was more export-oriented economies, due to the recommended path by the international funding bodies such as International Monetary Fund (IMF) and World Bank. Since then there has been a substantial growth in world trade, consequently international bodies such as World Bank, IMF and WTO have become very powerful who constantly recommended lesser government and state involvement and more free flow of goods and finances.

With increasing pressure from world monetary and trade organisations many states succumbed to the pressure to liberalise their economies. With the collapse of Soviet Russia an alternative model for free enterprise was found to be unviable and so more and more nations became integrated into a global network of free trade. Many governments took to shrinking public expenditure on capital and social sector such as on health, education, housing, public distribution system rural infrastructure development, etc. In that sense there has been globalisation of national policies and policy-making mechanisms of national governments.

India too took steps to liberalise its economy following a crisis in 1990's. The two central components of the neoliberal policies adopted by Indian government have been the liberalisation of India's private sector and a reform of the public sector (see unit 20 for more details). Thus, India took to liberalisation, which essentially meant that many of the activities, which the state performed were reduced whether it is centralised price control, monopoly over infrastructure and public services, to name some. The IMF and World Bank started insisting on the deregulation of national economies and liberalisation in trade and investment sectors as conditions for the grant of financial assistance or loans to countries world over. They advocated free trade, which in modern usage means trade or commerce carried on without such restrictions as import duties, export bounties, domestic production subsidies, trade quotas, or import licences. Not only did India adopt Structural Adjustment Programmes (SAP) on the behest of the IMF World Bank but also privatisation. Privatisation essentially involved the state selling out its assets to private ownership (refer unit 20 for more details on this).

Another aspect of globalisation has been the involvement of Foreign Direct Investment (FDI), which is money invested by foreign party that is rewarded with part ownership of production. This is done through different forms of collaborations. In 1990 there has been phenomenal growth in collaborations between companies across countries and FDIs grew substantially all over the world.

There is a general view that FDI flows help the economy in several ways one of them being transfer of technology. As you have already learnt with the increase in the rate of the transfer of technologies at the national and the international level the question of patent protection became significant. Though there were effective rules and regulations at individual countries, there was not an international policy accepted by all the countries. With the increased interaction and technology transfer during the heightened pace of globalisation made it important to have an international policy agreed by most of the nations around the globe on the issue of patent protection. This is what WTO tried to impose through the implementation of Trade Related Intellectual Property Rights (TRIPS). TRIPS came into effect in 1995. It imposes minimum standards in seven areas of intellectual property i.e. patents, copyright, trademarks, geographical indication, industrial design, and undisclosed information (trade secrets) and covers diverse areas as computer programming and circuit design, pharmaceuticals and transgenic crops. TRIPS was devised based on standards of the North and conflicts with the national interests and needs of the Third World countries. For instance most Third World countries previously exempted medicines, agriculture and other products from national patent laws but with TRIPS almost all knowledge-based production is subject to tight intellectual property protection. Third World nations have to adjust their laws to conform to TRIPS by 2000 while the least developed countries by 2016. The latter will be confronted with severe financial and administrative constraints (UNCTAD 1996: 2-3).

Although the positive effects of TRIPS on the South have been touted by the North, in terms of technology transfer, foreign direct investment (FDI) and research and development (R&D) innovation, there is scant evidence of this taking place. In fact the strengthening and expansion of Intellectual Property

**Development, Displacement
and Social Movements**

Rights (IPRs) will affect the access to and use of technologies and the Third World's prospect for industrial and technological development; stronger IPRs means higher costs in terms of royalties and other payments and reduce resources available for local R&D; scientific and technological protectionism is a growing problem as the increasing economic relevance of scientific research limits the free dissemination of research results and constrains the traditional openness of university laboratories where most basic research is conducted in the North — this will reduce the Third World's prospects of improving their social and economic conditions (Correa 2000: 33).

At this stage you must be wondering what are IPRs and TRIPS. To understand the various aspects of these regimes let us look at world bodies such as WTO, to start with and how some of the regulating mechanisms of trade have evolved over the years.

Reflection and Action 22.1

Locate a company, which qualifies as instance of Foreign Direct Investment. Try and assess what the benefits of this company have been for the Indian nation and its people. Write a small paper on it and share it with your fellow students and your coordinator.

22.3 World Trade Organisation (WTO)

As we already mentioned, the volume of trade increased substantially towards the end of 20th century and it was felt that there ought to be regulating body, which looks in to trade agreements between countries. After World War II there was an attempt to set up an International Trade Organisation (ITO), which never materialised but in 1947 there was body, which came in to existence called the GATT-General Agreement on Tariffs and Trade. It did not take long for the General Agreement to give birth to an unofficial, *de facto* international organisation, also known informally as GATT. Over the years GATT evolved through several rounds of negotiations. The last and largest GATT round was the Uruguay Round, which lasted from 1986 to 1994 and led to the WTO's creation (you already learned about the genesis and functioning of WTO in Unit 20 and you will learn more about this in Unit 23 also). Whereas GATT had mainly dealt with trade in goods, the WTO and its agreements now cover trade in services, and in traded inventions, creations and designs (intellectual property).

The organisation describes itself as thus:

There are a number of ways of looking at the WTO. It's an organisation for liberalising trade. It's a forum for governments to negotiate trade agreements. It's a place for them to settle trade disputes. It operates a system of trade rules. At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations. These documents provide the legal ground-rules for international commerce. They are essentially contracts, binding governments to keep their trade policies within agreed limits. Although negotiated and signed by governments, the goal is to help producers of goods and services, exporters, and importers conduct their business.... (source: www.wto.org)

Some of the basic principles that WTO involves are trade without discrimination, free trade through lowering trade barriers, general agreement on trade and services, trade related intellectual property rights etc. Since this unit deals mainly with the implications of patent regimes on indigenous and traditional knowledge let us look into the features of TRIPs which is a major area of WTO regime (you will learn about the other principles of WTO in detail in unit 23).

Let us examine, in the following section, each of the areas, which come under the TRIPs agreement to further understand what these entail.

22.4 Trade Related Intellectual Property Rights (TRIPs)

Ideas and knowledge are now considered as an important part of trade relations. Patents, copyrights are awarded to people and organisation to protect their creative and innovative inputs into product or process.

“Creators can be given the right to prevent others from using their inventions, designs or other creations and to use that right to negotiate payment in return for others using them. These are ‘intellectual property rights’. They take a number of forms. For example books, paintings and films come under copyright; inventions can be patented; brand-names and product logos can be registered as trademarks; and so on. Governments and parliaments have given creators these rights as an incentive to produce ideas that will benefit society as a whole. The extent of protection and enforcement of these rights varied widely around the world; and as intellectual property became more important in trade, these differences became a source of tension in international economic relations” (Source: www.wto.org).

As we already mentioned IPRs are meant to protect the creative and innovate efforts of organisations, companies or people and they cover a range of products and process.

The following areas are covered under the TRIPs agreement:

- Copy right and related rights
- Trademarks, including service marks
- Geographical indications
- Industrial Designs
- Patents
- Lay-out Designs of integrated circuits

- a) **Copyright and Related Rights:** Under this category, the rights of authors and artist of literary works such as, books and other writings, musical compositions, paintings, sculpture, computer programs and films, are protected by copyright, for a minimum period of 50 years after the death of the author. Also protected through copyright and related rights are the rights of performers (e.g. actors, singers and musicians), producers of phonograms (sound recordings) and broadcasting organisations. The TRIPs agreement ensures that computer programs will be protected as literary works under the Berne Convention and outlines how databases should be protected. It also expands international copyright rules to cover rental rights. Authors of computer programs and producers of sound recordings must have the right to prohibit the commercial rental of their works to the public. A similar exclusive right applies to films where commercial rental has led to widespread copying, affecting copyright-owners’ potential earnings from their films.
- b) **Trade marks:** The agreement defines what types of signs must be eligible for protection as trademarks, and what the minimum rights conferred on their owners must be. It says that service marks must be protected in the same way as trademarks used for goods. Marks that have become well known in a particular country enjoy additional protection.
- c) **Geographical Indications:** A place name is sometimes used to identify a product. This “geographical indication” does not only say where the product was made. More importantly, it identifies the product’s special characteristics, which are the result of the product’s origins. Well-known examples include “Champagne”, “Scotch”, “Tequila”, and “Roquefort” cheese. Wine and spirits makers are particularly concerned about the use of place-names to identify products, and the TRIPs Agreement contains special provisions for these products. But the issue is also important for

other types of goods. Using the place name when the product was made elsewhere or when it does not have the usual characteristics can mislead consumers, and it can lead to unfair competition. The TRIPs Agreement says countries have to prevent this misuse of place names.

- d) **Industrial Design:** Under the TRIPs Agreement, industrial designs must be protected for at least 10 years. Owners of protected designs must be able to prevent the manufacture, sale or importation of articles bearing or embodying a design, which is a copy of the protected design.
- e) **Patents:** The agreement says patent protection for inventions must be available for at least 20 years. Patent protection is available for both products and processes. Governments can refuse to issue a patent for an invention if its commercial exploitation is prohibited for reasons of public order or morality. They can also exclude diagnostic, therapeutic and surgical methods, plants and animals (other than micro-organisms), and biological processes for the production of plants or animals (other than microbiological processes). Plant varieties, however, must be protectable by patents or by a special system (such as the breeder's rights provided in the conventions of UPOV — the International Union for the Protection of New Varieties of Plants. If a patent is issued for a production process, then the rights must extend to the product directly obtained from the process. Under certain conditions alleged infringers may be ordered by a court to prove that they have not used the patented process. In the recent Doha meeting (of WTO) it agreed that the TRIPs Agreement does not and should not prevent members from taking measures to protect public health. They underscored countries' ability to use the flexibilities that are built into the TRIPs Agreement. And they agreed to extend exemptions on pharmaceutical patent protection for least-developed countries until 2016. On one remaining question, they assigned further work to the TRIPS Council — to sort out how to provide extra flexibility, so that countries unable to produce pharmaceuticals domestically can import patented drugs made under compulsory licensing. A waiver providing this flexibility was agreed on 30 August 2003.
- f) **Integrated Circuit Design:** This particular item and area was adopted in 1989 but it is yet to come in to force. The protection for this is available for 10 years.
- g) **Undisclosed Information Including Trade Secrets:** Trade secrets and other types of “undisclosed information” which have commercial value must be protected against breach of confidence and other acts contrary to honest commercial practices. But reasonable steps must have been taken to keep the information secret. Test data submitted to governments in order to obtain marketing approval for new pharmaceutical or agricultural chemicals must also be protected against unfair commercial use (Source: www.wto.org).

On the face of it seems perfectly valid that there should be uniform laws that can be applied equally for all trading partners but the TRIPs agreement has come from severe criticism from developing and least developed countries. They feel that the gradual erosion of the developed countries' supremacy in manufacturing and technology, due to the rise of the Asian countries as competitors has prompted industries and companies from the North to become pressure groups, which have been behind the agreements. “The industrial lobbies convinced developed-country governments on the need to link trade with IPRs, in order to prevent imitation and to increase returns on research and development. Monopoly rights granted by IPRs were regarded as crucial to prevent the developing countries from further undergoing the ‘catching-up’ process towards industrialisation based on imitating and copying technologies, as the developed countries themselves had done. In other words, IPR protection was a tool to guarantee the comparative advantage that had so far ensured

Reflection and Action 22.2

It takes a lot of investment of both money and creative energies to make software, a music album, a film etc. Don't you think therefore that piracy of such items should be punished severely? What are your views on this?

22.5 Domination of the Developed North in WTO

As we already mentioned the WTO agreements are largely devised on the standards thought out and set by the developed nations of the North. Many in the South believe that it was devised in such a way that the interest of the big industries and companies, who do not want to lose their monopoly over technology or products.

When one considers the working of WTO itself, it has been found that the negotiations are invariably between the richer groups of countries the decisions that they are reach are then imposed on the poorer nations without their participation. The Protest against Seattle WTO meeting was precisely the complaint that Third World had against the North. Let us read this report from the Guardian newspaper (see Box 23.2), which captures the frustrations of the poorer countries and the manipulative tactics of the developed world.

Box 22.1: WTO Seattle Talks

So what happened in the real Battle for Seattle? Firstly, the poor countries were sidelined from the start in the desperation of the Americans to get a deal. The working groups which had convened to reach consensus between interested countries in different areas were regarded as a sham. The chairs were reporting consensus when none existed.

Secondly, the 'green room discussions', the next level of debate, this time mostly between the rich countries, were excluding the poor. At least one African delegate was physically barred from attending.

The third issue concerned the style and manner of the US chief negotiator Charlene Barshefsky who was judged personally offensive, patronising and insulting. She was booed in one plenary meeting.

And in addition to this the poor countries were appalled by the speed at which the negotiations were being rushed through, and by the lack of debate. Not only had many of the world's poorest countries neither the capacity nor the means to implement even the previous round of talks which finished five years ago, let alone take aboard a whole new round of negotiations, but many had barely the means to have a permanent representative in Geneva where the rolling talks are held.

The Third World was also concerned that genuine concerns about the effects of another round of liberalisation on trade on the environment, jobs, cultural and social issues were being seen to be constantly suborned to pure economic interests. Time after time, agreements that had taken years to make in other international forums were dismissed or discarded. The WTO does not recognise the 'precautionary principle', and overrules all other international agreements. This, together with the perceived agenda setting of the talks by big business, is what mostly concerned the environmentalists and labour groups protesting at Seattle.

'The democratic system is not working,' said Martin Khor of Third World Network. 'It's bust. It needs more than WTO reform.'

While the media concentrated on Seattle's riots, the tear gas and the looting, the demands on the streets of Seattle were not for an end to world trade but for a fairer and more democratic system. 'They are worried about a few windows being smashed', said one Filipino leader. 'They should come and see the violence being done to our communities in the name of liberalisation of trade.'

Source: Guardian, December 9, 1999

As we already mentioned there are many aspects of trade that tilt against the poorer south, we did mention for instance how some of the trade relations are essentially suited to the monopolistic tendencies of the big corporations. One particular area which has come under severe criticism from the South is introduction of TRIPs agreement in the Uruguay round, which gives a handle to WTO and the big companies which lobby, to twist the arms of poorer nations in the name of patents. TRIPs ignores the profound differences in economic and technological capabilities between the North and the South, and is an instrument of 'technological protectionism' aimed at consolidating an international division of labour where the North generates the innovations and the South will be the market for the resulting products and services. It is a move by US corporate interests to establish global rules to counter their declining competitive market edge in world markets (Correa 2000:5).

22.6 Implications of TRIPs for the Third World Countries

TRIPs will affect the poorer countries that do not have the knowledge by increasing the gap; and by shifting bargaining power towards the producers of knowledge most of whom are in the industrialised North. Not only that, national governments which used to exempt certain areas and items such as medicine, agriculture etc. from patent laws now have to comply with WTO regimes. This will be most strongly felt in the area of patents and its effects on the prices of medicines. Equally endangered would be knowledge which has never been patented and which was in public domain of traditional and indigenous communities. This knowledge is being either cleverly siphoned off or stolen — also known as "bio piracy".

The North's dominance of intellectual property can be seen from the following data: 97 percent of all patents worldwide is concentrated in a handful of countries; in 1993, ten countries accounted for 84 percent of global R&D; 95 percent of patents granted in the US over the past two decades were conferred on applications from ten countries which captured more than 90 percent of cross-border royalties and licensing fees; 70 percent of global royalty and licensing fee payments were between parent and affiliate in TNCs; and more than 80 percent of the patents that have been granted in the Third World countries belong to residents of industrial nations (UNDP 1999: 68).

The fact that knowledge can be patented has serious implications for access to health, agricultural practices, and related fields such as bioengineering. Let us see how it affects access to health for instance.

TRIPs and Health: A pharmaceutical company can get a patent for both the process and product for 20 years under the TRIPs agreement. Product patents provide for absolute protection of the product, whereas process patents provide protection in respect of the technology and method of manufacture. A process patent system promotes a more competitive environment and a check on prices, as compared to the monopoly system created through product patents. With the TRIPs requirement for both product and process patents, it will therefore be possible to apply for patent rights over a product for 20 years, and thereafter, further periods of protection could be applied for the processes by which the product is produced. Earlier the Third World countries produce some medicines themselves, for example India, China, Brazil and Egypt allow patents on pharmaceutical processes but not the final products. That means they can produce the drug legally using a different process from the original used. This supported the development of national domestic industries to produce generic drugs, which were cheaper than the branded originals. But now they have to comply with TRIPs agreement as members of WTO and have their patent laws amended and in place.

However, under TRIPs "countries can still gain access to drugs and protect public health under 'compulsory drugs licensing'. Article 31 of TRIPs states

that member states 'may use the subject of a patent without the authorisation of a right-holder including use by the government' in the public interest. It also says that 'the right-holders shall be paid adequate remuneration taking into account the economic value of the authorisation'. Thus governments can grant a license to make copies of patented drugs without the approval of the patent owner and pay a royalty to the latter. 'Compulsory licensing' is part of the patent law of many countries. This option has been used by countries to restrict the monopoly rights of companies (the patent holders) in the interest of the public good" (Evelyn Hong, 2000, Source: <http://www.phmovement.org>).

The US has applied for compulsory license domestically in hundreds of cases. But many developing and underdeveloped nations hesitate to opt for compulsory licensing because of trade sanctions against them. It happened with Thailand, when it tried to produce generic drugs for its increasing AIDS patients under compulsory licensing scheme. It was forced to drop the plan when US threatened to increase tariff on wood products and jewelry from Thailand. Similar threats were deployed on South Africa and was stopped with the accusation that South Africa was violating patent laws by opting to produce a generic drug for its 4 million AIDS patients. The pharmaceutical companies, backed by TNCs and US governments filed a petition. Thanks to intense pressure by AIDS activist and others that US retreated from its position and reached negotiations.

Free from competition, the company will be able to keep the price of the drug high during the protection period. By virtue of TRIPS protection, no generic equivalent can come into the market until expiry of the 20 years, denying patients cheaper alternatives.

Patents on Life Forms Biological Material: Article 27.3 (b) of TRIPs allows patenting of life forms in the sense that micro-organism and micro-biological processes have to be patented and accord protection to plant varieties by patents or some legal means. These enable the biotechnology lobby and Northern governments to exert private monopolistic rights over terrestrial biological resources.

These measures will legitimise the private appropriation of community-based resources and knowledge and undermine indigenous and local communities. It gives the North legal right to plunder the biological heritage of the Third World. For instance, it will further the patentability of traditional medicines and crops which in the Third World have been in the public domain for millennia. The Third World is the source of some 90 percent of the world's store of biological resources. Bio-prospectors have for many years stolen the plant knowledge of local people for profitable uses. For example the rosy periwinkle found in Madagascar contains anti-cancer properties, Eli Lilly developed a drug from it making \$100 million in annual sales but nothing for Madagascar (UNDP 1999).

The value of the trade in medicinal plants is currently estimated at US\$43 billion a year; whilst the value of crops varieties improved and developed by traditional farmers to the seed industry amounts to US\$15 billion. Other natural products so derived like sweeteners, perfumes, bio-pesticides, fabrics and cosmetics indicate the immense contribution and value of biological resources from the Third World (Gray 1993 and Brush 1999). In terms of the contribution to pharmacology, some three quarters of the plants that provide active ingredients for prescription drugs drew the attention of researchers because of their use in traditional medicine; of the 120 active compounds currently isolated from the higher plants and widely used in modern medicine, 75 percent show a positive correlation between their modern therapeutic use and the traditional use of the plant from which they were derived (Farnsworth *et al* 1985). Landmark discoveries were made of an important class of antihypertensive agents - ACE inhibitors from plant extracts collected from Malaysia, Ghana and Costa Rica (Howson, Fineburg and Bloom 1998, Source: <http://www.phmovement.org/pubs/issuepapers>).

Reflection and Action 22.3

Assess the impact of TRIPs regime on the pharmaceutical sector in India.

22.7 Indigenous Knowledge and Biopiracy

As can be seen from our previous section, the contribution of traditional or indigenous knowledge practices to modern pharmaceutical industry and big corporations is immense. Most of these life forms and knowledge as we already mentioned are located in the Third World countries.

Box 22.2: Biopiracy

Bio piracy refers to use of biological resources by corporations. Particular activities usually covered by the term are:

- unauthorised use of biological resources such as plants, animals, micro-organisms and genes
- unauthorised use of traditional communities' knowledge on biological resources
- unequal share of benefits between a patent holder and the indigenous community whose resource or knowledge has been used
- patenting biological resource with no respect to patentable criteria (novelty, nonobviousness, usefulness)

More than 90 per cent of the earth's biological diversity is located in Africa, Asia and South America; indigenous communities which have developed and nurtured such diversity are not acknowledged — much less compensated - for the material and local knowledge that is taken from them. This inequity is exacerbated by the growing use of patents, which grant exclusive protection to Northern corporations and researchers for material or knowledge, which originated in the South.

And what is more, a majority of the populations of the South rely on indigenous knowledge for their survival. A report, which was prepared by the Rural Advancement Foundation International (RAFI) estimates that “80 per cent of the world's people continue to rely upon indigenous knowledge for their medical needs and possibly two-thirds of the world's people could not survive without the foods provided through indigenous knowledge of plants, animals, microbes and farming systems” (<http://twm.co.nz/Biopiracy.html>)

As Vandana Shiva points out “biopiracy and patenting of indigenous knowledge is a double theft because first it allows theft of creativity and innovation, and secondly, the exclusive rights established by patents on stolen knowledge steal economic options of everyday survival on the basis of our indigenous biodiversity and indigenous knowledge. Over time, the patents can be used to create monopolies and make everyday products highly priced” (source: <http://www.globalissues.org>). The justification given by big corporations for patent has been that they lose a lot of money which they spend in research development to Thrid World piracy. The estimates provided for royalties lost in agricultural chemicals are US\$202 million and US\$2,545 million for pharmaceuticals. However, as the Rural Advancement Foundation International (RAFI), in Canada has shown, if the contribution of Third World peasants and tribals is taken into account, the roles are dramatically reversed: the US owes US\$302 million in royalties for agriculture and \$5,097 million for pharmaceuticals to Third World countries. Besides the money involed the unequal trade, patenting of lifeforms and knowledge is big threat to the very food security of poorer rural communities and the indigenous people.

Many biotech companies claim that genetically engineered foods will help alleviate hunger and increase food security, their acts of patenting the knowledge and food that has been developed over centuries itself may be a threat to food securtiy.

Genetic diversity in agriculture has been the main stay of many indigenous communities and rural communities of the South, In fact the reason why there has been so much of bio-diversity in the South has been partly attributed to the sustainable agricultural practices of small farmers and communities. These communities have over the centuries acquired knowledge about plants, seeds and breeds which are best adapted to agro-climates, pests and so on. And this has contributed to the general availability of food even through climatic aberrations and changes. Farmers in Semi-arid regions of India at one time knew the particular variety of crops to be grown which are drought resistant. The same regions now see an increasing disaster of failed crop production and suicides by farmers. Read the Box 23.4 to understand some of the nuances, as articulated by Vandana Shiva, who is leading activist fighting for bio-diversity and rights of small communities.

Box 22.3: Food Security

“Last year I was in Warangal, Andhra Pradesh where farmers have also been committing suicide. Farmers who traditionally grew pulses and millets and paddy have been lured by seed companies to buy hybrid cotton seeds referred to by the seed merchants as “white gold”, which were supposed to make them millionaires. Instead they became paupers.

Their native seeds have been displaced with new hybrids which cannot be saved and need to be purchased every year at high cost. Hybrids are also very vulnerable to pest attacks. Spending on pesticides in Warangal has shot up 2000 percent from \$2.5 million in the 1980s to \$50 million in 1997. Now farmers are consuming the same pesticides as a way of killing themselves so that they can escape permanently from unpayable debt.

The corporations are now trying to introduce genetically engineered seeds, which will further increase costs and ecological risks. That is why farmers like Malla Reddy of the Andhra Pradesh Farmers’ Union had uprooted Monsanto’s genetically engineered Bollgard cotton in Warangal.

The rich diversity and sustainable systems of food production are being destroyed in the name of increasing food production. However, with the destruction of diversity, rich sources of nutrition disappear. When measured in terms of nutrition per acre, and from the perspective biodiversity, the so called “high yields” of industrial agriculture or industrial fisheries do not imply more production of food and nutrition. Yield usually refers to production per unit area of a single crop. Output refers to the total production of diverse crops and products. Planting only one crop in the entire field as a monoculture will certainly increase its individual yield. Planting multiple crops in a mixture will have low yields of individual crops, but will have high total output of food. Yields have been defined in such a way as to make the food production on small farms by small farmers disappear.

The Mayan peasants in the Chiapas are characterised as unproductive because they produce only 2 tons of corn per acre. However, the overall food output is 20 tons per acre when the diversity of their beans and squashes, their vegetables and their fruit trees are taken into account.

In Java, small farmers cultivate 607 species in their home gardens. In sub-Saharan Africa, women cultivate 120 different plants. A single home garden in Thailand has 230 species, and African home gardens have more than 60 species of trees. Rural families in the Congo eat leaves from more than 50 species of their farm trees. A study in eastern Nigeria found that home gardens occupying only 2 per cent of a household’s farmland accounted for half of the farm’s total output. In Indonesia 20 percent of household income and 40 per cent of domestic food supplies come from the home gardens managed by women. Research done by FAO has shown that small bio-diverse farms can produce thousands of times more food than large, industrial monocultures. And diversity in addition to giving more food is the best strategy for preventing drought and desertification.

Source: http://news.bbc.co.uk/hi/english/static/events/reith_2000/lecture5.stm)

22.8 Protection of Indigenous and Traditional Knowledge

It is very clear from the preceding discussion that the implications IPRs for Third World countries, and the subsistence farming communities and indigenous population with these countries, is very severe. Not only is their knowledge stolen but their very survival is threatened without any compensation for their knowledge or survival.

Various protests, against the Seattle Talks in particular and in general to variety of agreements, have pointed out to the Northern and big corporation bias in these agreements. Besides, the IPR regimes are structured to suit the logic developed by the North, which is based on Individual rights and this alien to the community ownership of indigenous and traditional communities. Some of the characteristics of indigenous knowledge are:

- Collective rights and interest
- Closely integrated with their ecology and environment, sometimes taking on a sacred quality
- Many times this knowledge is respectful of the diversity in nature
- Not always well documented; but orally transmitted.

These aspects of indigenous knowledge and their way of life have been their vulnerable point for exploitation. For instance the Convention on Biological Diversity (CBD), argued that one factor in the loss of biodiversity is the “lack of clear property rights governing ownership and access to biodiversity”. And therefore it recommends that there should be clearer specifications and laws regarding sustainable management of the resources in the control of the indigenous community. The existing IPR regimes do not recognise the collective rights that indigenous people hold in knowledge and practices. There is also a fixed period for protection under patent laws, usually up to 20 years, which again does not provide for indigenous knowledge that is often the result of millennia of innovation and transmission.

Various organisations have looked to different international conventions and summits to look for guidance of the rights of indigenous communities to work out modalities for the protection of their rights and knowledge. Let us briefly summarise some of these articulations.

International efforts to protect of indigenous rights and knowledge: The *Draft Declaration on the Rights of Indigenous Peoples* provides, at Article 24, for Indigenous peoples’ rights to “their traditional medicines and health practices, including the right to the protection of vital medicinal plants, animals and minerals”. Article 29 provides that Indigenous peoples are “entitled to the recognition of the full ownership, control and protection of their cultural and intellectual property”. These peoples, the Article says:

...have the right to special measures to control, develop and protect their sciences, technologies and cultural manifestations, including human and other genetic resources, seeds, medicines, knowledge of the properties of fauna and flora, oral traditions, literatures, designs and visual and performing arts.

International Labour Organisation Convention 169 ('ILO 169') also contains various provisions (e.g. Articles 4, 5, 8, 13 and 23) relevant to the protection of Indigenous peoples’ cultures, environments, and religious and political systems.

One international development that provides specific opportunities for introducing measures to protect Indigenous knowledge is the *Convention on Biological Diversity (CBD)*, mentioned above. Article 8(j) of this Convention encourages countries “subject to national legislation” to:

...respect, preserve and maintain knowledge, innovations and practices of indigenous and local communities embodying traditional lifestyles relevant for the conservation and sustainable use of biological diversity and promote their wider application with the approval and involvement of the holders of such knowledge, innovations and practices and encourage the equitable sharing of the benefits arising from the utilisation of such knowledge, innovations and practices (Source: <http://www.aph.gov.au>)

These are as far as the international directives and conventions which provide broad outlines but when it draws closer to implementing a lot of nuances come in the way which makes the protection of knowledge a communities very difficult.

Perspectives on protection of traditional knowledge: For instance the CBD urges national laws or policies to be made which protect bio-diversity and indigenous community rights. If we take the example of India, for instance, can we say that our national policies and laws have been protective of our small communities or indigenous communities such as the *Adivasis*. The Indian herbal industry has been accused of using traditional community knowledge and not shared the benefits of the profits it made.

There are several perspectives to the issue of the protection of traditional knowledge and benefit sharing. Ujjwal Kumar from Gene campaign, an NGO working towards this issue writes in an article that the perspectives can put as: i) commercial interest minus of communities, ii) commercial interest inclusive of communities and iii) community interest that do not conform with commercial interest.

As for the first perspective, it seems a lot of what the domestic herbal industry or pharmaceutical industry doing is reaping the traditional knowledge for commercial interest without providing for the communities.

The second one on the other hand seems a good via - media, for the IPR regimes, it seems is increasingly difficult to debunk so there should be protection of not only the knowledge but also commercialisation where benefits are shared by the relevant community(s). The efforts made by National Innovation Foundation and to some extent People's Biodiversity Registers, can be cited as examples in this category.

The proponents of the third viewpoint feel that communities and traditions are inseparable and they should not be diluted by laws and commercial interests, as it would upset the very foundation and philosophy of indigenous communities' relationship with environment. Their basic objective is to regain control of decreasing access to biological resources by indigenous communities and not concentrate on the by-products of what remains of their knowledge or practice.

All these perspectives have their respective advantages and disadvantages if one were to examine them carefully. In the meanwhile the poorer countries of the world especially a combined front of Brazil, India, Venezuela, Malaysia, among others, have been resisting global pressures and agreements at various level and have created fairly formidable resistance to Northern domination.

However, issues relating to protecting, recognising and rewarding of traditional knowledge associated with biological resources are very complex. The modalities for protecting traditional knowledge are still emerging and evolving. The nature of entitlements and share in benefits is also a grey area. Even at the international level, clarity has as yet not emerged and countries are grappling to understand the issue.

22.9 Conclusion

In this unit we have tried to understand the process of globalisation and its main features and how in many ways it paves the way for increasing privatisation and liberalisation. We examined the features of international trade regulating body, the WTO, especially with relation to Trade Related Intellectual Property Rights. There was also a discussion and found that the concerns expressed by poorer countries about the domination of the North are reasonable valid. They domination of the North is expressed in many ways; we tried to examine some of these aspects. One particular aspect, which is of importance to our unit, is the agreement on TRIPs, which has several consequences for IPRs. Couched as they are in legal language, some of the agreements and laws have proved to be very slippery but with increasing involvement and alertness on the part of Third World countries a lot biopiracy has come under watch. As to how these regimes will evolve will depend on the continuing debates on various issues that concern indigenous people's rights and the protection of their knowledge and biodiversity.

22.10 Further Reading

Stiglitz, E. Joseph 2003. *Globalisation and its Discontents*. Norton and Company: New York

Correa, Carlos M. 2000. *Intellectual Property Rights, the WTO and Developing Countries: The TRIPs Agreement and Policy Options*. Third World Network: Penang

Unit 23

Critique of Knowledge
Society

WTO, GATT, GATS: Capital and Human Flows

Contents

- 23.1 Introduction
- 23.2 Social Development, Globalisation and Trade Agreements
- 23.3 World Trade Organisation (WTO): Origin
- 23.4 World Trade Organisation: Functions, Principles and Scope
- 23.5 General Agreement on Tariffs and Trade (GATT)
- 23.6 General Agreement on Trade in Services (GATS)
- 23.7 Trade Related Aspects of Intellectual Property Rights (TRIPs)
- 23.8 Trade Liberalisation: The Emerging Concerns for Developing Countries
- 23.9 Implication for Health and Education
- 23.10 Conclusion
- 23.11 Further Readings

Learning Objectives

After reading this unit you should be able to explain:

- the origin, scope and functions of the World Trade Organisation
- multiple facets of GATT, GATS and TRIPs;
- emerging concern of the developing countries on trade liberalisation;
- implications of trade liberalisation for social development, especially in the developing countries.

23.1 Introduction

In the previous units of this block we have discussed the issues of social, cultural and economic dimensions of globalisation and also the various facets of structural adjustment programmes and the impact of international trade regulations on traditional and indigenous knowledge. And we understood how the current pace of globalisation has affected the process of development across the globe. Trade, both national and international has become very important aspect of development. In the context of globalisation trade has taken a different shape and all aspects of human lives — goods, services, arts, music etc. – have emerged to be tradable objects. New mechanisms have emerged to facilitate trade globally. Some of the important international bodies/mechanisms of these arrangements are those of WTO, GATT and GATS.

In this unit we shall be discussing the implication of all these arrangements for the developing world. To begin with we have discussed the interface between social development, globalisation and trade agreements. We have briefly discussed the historical origin, functions, principles and scope of WTO and GATT. The issues covered in GATT, GATS and TRIPs, and their scope and commitments are also discussed in this unit. We have discussed at length the emerging concern for trade liberalisation and the implication on social development.

23.2 Social Development, Globalisation and Trade Agreements

The modern world witnessed a series of interrelated socio-political processes and events in the late 1980s and early 1990s. The most important of these have been ever increased global interconnectedness, introduction of structural adjustment programmes, the phenomenal expansion of information and communication technologies (ICTs), increasing commercialisation, perspective change in the orientation of development (from economic growth to human development) and a quantum increase in human and capital flows from one part of the globe to another and so on. All these have impacted the processes of development. There have been concerted efforts, against the backdrop of the collapse of the socialist economy and the triumph of the market forces, to redirect the forces of development locally and globally through the Social Development Summit 1995, formation of the World Trade Organisation, the General Agreement on Trade and Tariffs (GATT) and the General Agreement on Trade in Services (GATS). The *World Development Report* 1997 focused on attempts to bring stability for investment and development. One of the central themes of all these efforts has been to remove all the obstacles to the expansion of the market forces that would supposedly pave the way for social and human development across borders. Let us examine briefly how the Social Development Summit 1995 has built up the case for free trade.

The Social Development Summit 1995 took place in Copenhagen in the wake of globalisation and introduction of structural adjustment programmes and especially on the eve of 50th anniversary of the United Nations Organisation. All heads of state pledged for social development and empowerment of the marginalised, ushering in the human face of development by ensuring peace and stability in society.

At this summit all the heads of state and government recognised that broad based and sustained economic growth is necessary to sustain social development and justice. It declares that “globalisation, which is a consequence of increased human mobility, enhanced communications, greatly increased trade and capital flows and technological developments; and opened new opportunities for sustained economic growth and development of the world economy, particularly in developing countries. Furthermore, the global transformations of the world economy are profoundly changing the parameters of social development in all countries. The challenge is how to manage these processes and threats so as to enhance their benefits and mitigate their negative effects upon people” (UN: 1995).

While identifying the principles and goals of social development and the framework of its action, this summit emphasised the need to “integrate economic, cultural and social policies so that they become mutually supportive, and acknowledge the interdependence of public and private spheres of activity”. It also recognised that new information technologies and new approaches to the access to and use of technologies by people living in poverty could help in fulfilling social development goals; and therefore recognised the need to facilitate access to such technologies.

The summit made several commitments in order to meet the goal of social development. In its very first commitment it mentioned:

at the national level all the states would commit to promote dynamic, open, free markets, while recognising the need to intervene in markets, to the extent necessary, to prevent or counteract market failure, promote stability and long-term investment, ensure fair competition and ethical conduct and harmonise economic and social development, including the development and implementation of appropriate programmes that would entitle and enable people living in poverty and disadvantage, especially women, to participate fully and productively in the economy and society (UN 1995).

At the time, these heads of the state also committed themselves to promote and implement policies to create a supportive external economic environment, through inter alia cooperation in the formulation and implementation of macroeconomic policies, trade liberalisation, mobilisation and/or provision of new and additional financial resources that are both adequate and predictable and mobilised in a way that maximises the availability of such resources for sustainable development, using all available funding sources and mechanisms, enhanced financial stability, and more equitable access of developing countries to global markets, productive investments and technologies and appropriate knowledge, with due consideration to the needs of countries with economies in transition (Ibid).

In another international commitment (commitment 3) they promised to “foster international cooperation in macroeconomic policies, liberalisation of trade and investment so as to promote sustained economic growth and the creation of employment, and exchange experiences on successful policies and programmes aimed at increasing employment and reducing unemployment (Ibid).”

This summit also committed (commitment 7) to “implement at the national level structural adjustment policies, which should include social development goals, and effective development strategies that establish a more favourable climate for trade and investment, give priority to human resource development and further promote the development of democratic institutions” (Ibid).

It is important that social development and human well-being have got the highest priority in the twenty-first century development discourse. Expansion of free market commodification of all vital aspects of life, and boundaryless expansion of trade have been envisaged to be the potential vehicles of social development and human well-being. The WTO, along with its several trade agreements and rounds of negotiations, has emerged to be the key agency under the auspices of the influential developed nations to monitor the expansion of free trade worldwide. Will the WTO, GATT and GATS be able to strike a balance between the diverse needs of the market on the one hand and that of the social commitment of the developing nations of the world? What are their limitations? Let us examine these issues in this unit.

Reflection and Action 23.1

What was the objective of the Social Development Summit, 1995? How have the issues of structural adjustment programme and free trade been associated with it?

23.3 World Trade Organisation (WTO): Origin

The World Trade Organisation (WTO) has taken concrete shape in 1995 after successful operation of the General Agreements in Tariffs and Trade (GATT) for around five decades. GATT again, had emerged out of some other experimentation on trade negotiations. Indeed GATT owes its origin to the pre-World War II American endeavour to secure mutual tariff reductions from 29 countries through bilateral means. The concept of a multilateral institution emerged after World War II especially with the initiative of America and Britain and formed the basis of the formation of GATT in 1947 as a transient arrangement. The original intention was to create the third institution to handle the trade side of international economic cooperation, joining the two Bretton Woods institutions, the World Bank and IMF. Over 50 countries participated in negotiations to create an International Trade Organisation (ITO) as a specialised agency of the United Nations. The draft ITO Charter extended beyond world trade disciplines to include rules on employment, commodity agreements, restrictive business practices, international investment and services. Even before the tasks concluded 23 of the 50 participants decided in 1946 to negotiate to reduce and bind customs tariffs. These 23 nations

ratified through negotiations a combined package of trade rules and tariff concessions which later known as General Agreements on Tariffs and Trade. It entered into force in January 1948, while ITO Charter still was being negotiated. The 23 became the founding GATT members. India was also a signatory.

Although the ITO Charter was finally agreed at a UN Conference on Trade and Employment in 1948, due to the opposition by some national legislatures, especially U.S. Congress which refused to ratify it apprehending ITO's interference in its sovereignty, ITO was effectively dead. So, GATT continued until January 1995 when the World Trade Organisation came into being after the Uruguay Round Final Act signed at Marrakesh on 15th April 1994. It has emerged as a super sovereign global agency for framing rules for international trade, investment, intellectual property rights, economic and social agenda for nations with adjudicating authority over member States. The Governments of all the sovereign national states have to comply with the provisions and pronouncements of WTO. India is a signatory of WTO also. In this historical backdrop let us examine the functioning and scope of WTO.

23.4 World Trade Organisation: Functions, Principles and Scope

To put simply WTO is an organisation that deals with rules of trade between nations at a global or near global level. It has emerged out of negotiations among the member countries on trade issues. Indeed it is a place where the member states go to try enhance the trade prospects and to sort out the trade problems they face with each other. It functions for negotiating trade agreements among the member governments. Through negotiations, the WTO helps member countries to remove and lower trade barriers and liberalise trade. Let us see the function, preinciples and scope of WTO.

- a) **Functions:** The WTO sets rules for trade among nations. The WTO agreements, which emerge out of several rounds of negotiations, provide the legal ground-rules for international commerce.

They are essentially contracts, binding governments to keep their trade policies within agreed limits. Although negotiated and signed by governments, the goal is to help producers of goods and services, exporters and importers conduct their business, while allowing governments to meet social and environmental objectives (WTO 2001).

WTO also helps settle disputes related to trade. Most of the agreements, in the WTO system, often need interpretation. At times differences take place among the trading partners on the interpretation of the agreements. There are also conflicts in trade interests. "The most harmonious way to settle these differences is through some neutral procedure based on the agreed legal foundation." WTO aims to settle all disputes with laid down procedure.

- b) **Principles of the Trading System:** As WTO sets the rules for trade; it has developed sets of agreed principles for this purpose. Indeed WTO agreements are based on certain fundamental principles. These may be described as follows:

- **Trade Without Discrimination.** This principle has two aspects to it i) **Most Favoured Nation-MNF:** Under WTO agreements no country can normally discriminate among its trading partners. When some special favours are given, e.g., the Most Favoured Nation (MFN) treatment, the same favour is normally to be thrown to all the other WTO members. Even though it sounds like a contradiction, in essence it implies that each member treats all the other members as Most Favoured trading partners. ii) **National Treatment.** This involves "imported and locally-produced goods should be treated equally — at

least after the foreign goods have entered the market. The same should apply to foreign and domestic services and to foreign and local trademarks, copyrights and patents” (source: www.wto.org). To WTO, “opening markets can be beneficial, but it also requires adjustment. The WTO agreements allow countries to introduce changes gradually through progressive liberalisation. Developing countries are usually given a longer turn to fulfill their obligation”. Significantly the WTO agreement also desires the member governments to ensure that the business environment is stable and predictable.

- Open Trade Policy and Fair Competition: WTO recognises that “all countries, including the poorest, have assets – human, industrial, natural, financial - which can be used for producing goods and services both for the domestic and overseas markets. It also recognises that bilateral trade policies, that allow the unrestricted flow of goods and services, sharpen competition, motivate innovation and breed success. They multiply the rewards that result from producing the best products with the best design at the best price” (WTO 2001). The WTO believes that lowering trade barriers such as import duties or tariff, restricting or removing quotas and removing bans on select imports goes a long way in encouraging free trade.
- Encouraging Economic Reforms: Trade liberalisation is an important agenda of WTO. Over three quarters of WTO members are developing countries and countries in transition to market economies. Here all members have committed themselves to market access within a specified timeframe (we shall discuss this timeframe later).
- General Agreement on Trade in Services (GATS) Earlier agreements tended to concentrate on goods but increasingly the areas expanded to services such as banking, telecommunications, postal services, tourism, transportation, waste disposal, oil and gas production and electricity. They also cover those services universally considered to be essential to human health and development, like healthcare, education and drinking water. GATS was established in 1994 as part of the Uruguay Round. It is known as a “bottom-up” agreement because it is based on countries listing the sectors they will open up for liberalisation. GATS negotiators and the WTO like to project GATS as a very flexible agreement from which countries may completely exclude certain sectors. “Unfortunately, in reality, the GATS text is very ambiguous in terms of what is covered by its rules and what is not (see unit 22 for more details). For instance, the first paragraph in the GATS states that only government services that are supplied neither on a commercial basis nor in competition with one or more service suppliers are excluded from GATS on the basis of being a government service. Most government services (like health care, education and energy) involve some public/private mix and might therefore be subjected to GATS rules. Such government services could be challenged for violating WTO rules”(source: www.citizen.org).

- c) **Scope:** The WTO agreements cover goods, services and intellectual property. The Uruguay Round of Multilateral Trade Agreement, that form the foundation of WTO, covers the following three broad areas of trade agreements:

The General Agreement on Tariffs and Trade (GATT)

GATT includes sectors or issues related to

- Agriculture
- Health regulations for farm products (SPS)
- Textile and clothing

**Development, Displacement
and Social Movements**

- Product standards
- Investment measures
- Anti-dumping measures
- Custom violation methods
- Pre-shipment inspection
- Rules of origin
- Import licensing
- Subsidies and counter measures
- Safeguards

The General Agreement on Trade in Services (GATS)

GATS includes

- Movement of natural persons
- Air transport
- Financial services
- Shipping
- Telecommunications

The Trade Related Aspects of Intellectual Property Rights (TRIPs)

TRIPs covers

- Copyrights and related rights
- Trade marks
- Geographical indication
- Industrial designs
- Patents
- Layout Designs
- Undisclosed information including trade secrets

Box. 23.1: What happened to GATT?

WTO replaced GATT as an international organisation, but the General Agreement still exists as the WTO's umbrella treaty for trade in goods, updated as a result of the Uruguay Round negotiations. Trade lawyers distinguish between GATT 1994, the updated parts of GATT, and GATT 1947, the original agreement which is still the heart of GATT 1994 (WTO 2003)

23.5 General Agreements on Tariffs and Trade (GATT)

Let us briefly discuss some aspects of GATT

- a) **Agriculture:** Agriculture as an item in GATT has been widely discussed and debated. Under this agreement countries are allowed to use some non-tariff measures such as “import quotas” and subsidies. According to WTO the objective of the agricultural agreement is “to reform trade in the sector and to make policies more market oriented” with a view to improving predictability and security for importing and exporting countries alike. Thus the agreement on agriculture relates to market access, domestic support and export subsidies. According to WTO “the agreement on agriculture does allow governments to support their rural economies but preferably through policies that cause less distortion to trade. It also allows some flexibility in way of commitments, which are to be implemented

over a period of time. Developing countries do not have to cut their subsidies or lower their tariffs as much as developed countries and they are given extra time to complete their obligations. Least developed countries do not have to do this at all”(Ibid).

The arguments which are usually raised against domestic support prices or for subsidised productions are that these encourage over production, quizz out imports, lead to export subsidies and low price dumping on world markets. Hence the developed countries agreed to reduce the agricultural support price by 20% over six years starting in 1995, the developing countries by 13% over ten years. The developed countries again agreed to cut the value of export subsidies by 36% over the six years starting in 1995 and the developing countries by 24% over 10 years. The developed countries also agreed to reduce the qualities of subsidised exports by 21% over the six years and the developing countries by 14% over the 10 years.

- b) **Health Standards and safety:** Another important aspect of GATT is the maintenance of standards and safety “in order to protect human, animal or plant life or health, provided they do not discriminate or use this as disguised protectionism”. Here the member governments are to use international standards. However, WTO has allowed individual member countries to apply a scientifically justified higher standard; thus allowing them to use different standards.
- c) **Textiles:** This is a contentious area of GATT. Until the end of the Uruguay Round, trading in textiles was governed by bilateral agreements or unilateral action in terms of established quotas. Under the quota system, countries could impose a limit on imports of textiles into the domestic market. However, under WTO’s Agreement on Textiles and Clothing, this sector is to be fully integrated into GATT rules by January 2005 to bring to an end the quota system and to end the discrimination by the importing countries between exporters.

Reflection and Action 23.2

What are major aspects of trade covered under GATT? What are the guiding principles involved in this trade?

23.6 General Agreement on Trade in Services (GATS)

GATS was formulated in the Uruguay Round against the backdrop of the phenomenal expansion of the service economy all over the world. Let us explain some important aspects of GATS, especially its coverage, obligation and disciplines.

- a) **Coverage:** The agreement covers all internally traded services – for example banking, telecommunications, tourism, professional services, etc. It has been defined in four ways (or “modes” of trading services):
 - Service supplied from one country to another (e.g., international telephone calls), officially known as “cross-border supply” (in WTO jargon, “mode1”)
 - Consumers or firms making use of a service in another country (e.g. tourism), officially “consumption abroad” (“mode 2”)
 - A foreign company setting up subsidiaries or branches to provide services in another country (e.g., foreign banks setting up operations in a country), officially “commercial presence” (“mode 3”).
 - Individuals traveling from their own country to supply services in another (e.g., fashion models or consultants), officially “presence of natural persons” (“mode 4”)

b) Principle of GATS

Trades in these services, according to GATS, are to be governed by the following obligations and disciplines:

- i) Most Favoured Nation treatment (MFN) is the cornerstone of GATS, whereby equal opportunity is to be given to service providers from all WTO members. However, there was a temporary exception to honour for a period of 10 years (starting from January 1995) the already preferential agreements the member countries signed with trading partners.
- ii) GATS binds commitment on market access and national treatment to all WTO members. According to WTO, “the commitments are virtually guaranteed conditions for foreign exporters and importers of services and investors in the sectors to do business”.

It is important that government services, as those are not applied commercially, are not subject to GATS commitment.

Box 23.2: Technically the word Privatises is not available in GATS

There is nothing in GATS that forces governments to privatise services and industries. In fact the word privatise does not even appear in GATS. Nor does it out law government or even private monopolies (WTO 2001).

- iii) It is obligatory on the part of the government to make all relevant laws and regulations governing services public. The governments also have to notify to WTO any changes in the regulations that apply to services.
- iv) GATS stipulates that member governments should regulate services reasonably, objectively and impartially when they set standard, price, safety measures, etc.
- v) Recognition of other countries’ qualifications (the licensing or certification of service suppliers) must not be discriminatory.
- vi) Progressive liberalisation of the services sector is a goal of GATS, which is to be achieved through negotiations. (WTO 2001)

Box 23.3: Mode of Supply of Education under GATS

Mode of Supply According to GATS	Explanation Education	Examples in Higher of market	Size/Potential
1. Cross Border Supply	-the provision of a service where the service crosses the border (does not require the physical movement of the consumer)	-distance education -e-learning -Virtual universities	-currently a relatively small market -seen to have great potential through the use of new ICTs and specially the internet
2. Consumption	-provision of the service involving the movement of the consumer to the country of the supplier	-students who go to another country to study	-currently represents abroadof the global market for education services
3. Commercial Presence	-the service provider establishes or has presence of commercial facilities in another country in order to render service	-local branch or satellite campuses -twinning partnerships -franchising arrangements with local institutions	-growing interest and strong potential for future growth -most controversial as it appears to set international rules on foreign investment
4. Presence of Natural Persons	-persons traveling to another country on a temporary basis to provide service	-professors, teachers, researchers working abroad	-potentially a strong market given the emphasis on mobility of professionals

Source: Night 2002

Box 23.4: Classification of education services under GATS		
Category of education service in each category	Education activities included	Notes
Primary Education (CPC 921)	-pre-school and other primary education services -does not cover child-care services	
Secondary Education (CPC 922)	-general higher secondary -technical and vocational secondary -also covers technical and vocational services for the disabled	
Higher Education (CPC 923)	-post secondary technical and vocational education services -other higher education services leading to university degree or equivalent	-types of education (i.e., business, liberal arts, science) are not specified -assumes that all post secondary training and education programs are covered
Adult Education (CPC 924)	-covers education for adults outside the regular education system	-further delineation is needed
Other Education (CPC 929)	-covers all other education services not elsewhere classified -excludes education services related to recreation matters	-needs clarification re coverage and differentiation from other categories -for example- are education and language testing services, student recruitment services, quality assessment covered?
Source: Night 2002		

23.7 Trade Related Aspects of Intellectual Property Rights (TRIPs)

Ideas and knowledge emerging out of research, innovation, invention, and application of advanced technology are important parts of trade. The WTO agreement on Trade Related Aspects of Intellectual Property Right (TRIPs) aims to grant the creators “the right to prevent others from using their inventions, designs or other creations and to use that right to negotiate payment in return for others using them.” Disputes over intellectual property rights are settled based on certain basic principle. Some of them are mentioned below:

- a) **National Treatment:** (trading one’s own nationals and foreigners equally) and Most Favoured Nation (equal treatment for all nations) are the basic principles of TRIPs. It also stipulates that intellectual property protection should contribute to technical innovation and transfer of technology (Ibid)
- b) **Intellectual Property Rights:** TRIPs has made elaborate arrangements to protect intellectual property. It protects the copyright of producers of intellectual property. Computer programme is protected as literary work. Similarly sound recording, films and the performers are given the rights to prevent the unauthorised use of one’s production. While service marks will be protected as trade marks, well-known trade marks will enjoy additional protection.
- c) **Patent Protection:** According to the agreement, patent protection must be available for inventions for at least 20 years. “Patent protection is available both for products and processes in almost all fields of technology. Government however can refuse to issue a patent for an invention if its commercial exploitation affects public order or morality. Regarding plant, it is said that plant varieties must be protected and protectable by patents.

While the patent owners are given specific rights to enjoy and to prevent the possible abuse of those rights, the member governments are authorised to issue “compulsory licensees” allowing a competitor to produce the product or use the process under license by safeguarding the legitimate interests of the patent-holder”.

Patent protection for pharmaceutical products at times prevents poor people of developing countries from having access to medicine. The Doha Ministerial Conference in November 2001 has agreed to grant exemptions on pharmaceutical patent protection for least developed countries until 2016.

Developing countries see technology transfer as a part of a bargain in which they have agreed to protect intellectual property right. The TRIPs agreement requires the developed countries to provide incentives for their companies to transfer technology to least developed countries (Ibid).

Box 23.5: Transition arrangements: 1, 5 or 11 years or more

When the WTO agreements took effect on 1 January 1995, developed countries were given one year to ensure that their laws and practices conform to the TRIPs agreement. Developing countries and (under certain conditions) transition economies were given five years, until 2000. Least-developed countries have 11 years, until 2006, which presently extended to 2016 for pharmaceutical patents.

If a developing country did not provide product patent protection in a particular area of technology when the TRIPs Agreement came into force (1 January 1995), it has up to 10 years to introduce the protection. But for pharmaceutical and agricultural chemical products, the country must accept the filing of patent applications from the beginning of the transitional period, though the patent need not be granted until the end of this period. If the government allows the relevant pharmaceutical or agricultural chemical to be marketed during the transition period, it must – subject to certain conditions – provide an exclusive marketing right for the product for five years, or until a product patent is granted, whichever is shorter (WTO 2001).

Box 23.6: Anti dumping, subsidies and safeguards

When a country exports a product at a price lower than it normally charges in its home market, it is said to be the “dumping of the product.” Binding tariffs, and applying them equally to all trading partners, are key to the smooth flow of trade in goods. GATT allows countries to take action against dumping. The Anti-Dumping Agreement allows countries to act in a way not discriminating between trading partners. Typically, anti-dumping action means charging extra import duty on the particular product from the particular exporting country in order to bring its price closer to the “normal value” or to remove the injury to domestic industry in the importing country.

23.8 Trade Liberalisation: The Emerging Concerns for Developing Countries

In the following sections of this unit we shall be discussing the implications of WTO agreements on the developmental concerns of the developing countries. It has been assumed by a section of scholars that “trade liberalisation in service can result in increased competition, lower prices, more innovation, technology transfer, employment generation, and greater transparency and predictability in trade and investment flows” (Chanda 2002: 2). Significantly, trade liberalisation is also being seen as conducive to the realisation of social, developmental and equity issues. As indicated in the first section, the Social Development Summit, 1995 at Copenhagen categorically mentioned that social development could not be separated from the economic environment.

An important section of scholars are of the view that GATT and the GATS would make a balance between market forces and public policies pertaining to social and equity issues. However, questions are usually raised as to whether in the emerging environment of competitiveness the concern for equity, public distribution, human development of the marginalised, and the sovereignty of the states in fulfilling their national social objectives will get proper attention and treatment. It is usually pointed out that in the areas of health and education there are recognised market failures and the states are involved as providers of such services in many areas. The lack of commitments in social services by the market forces only widen the scope of such concerns (Ibid). Let us see some of them in little more detail.

- a) WTO has emphasised uniformity of standards, rules and procedures, which are to be adhered to by all the member governments within a specified time frame. The developing and least developed countries are given more time than the developed ones to formulate the norms, rules and economic policies to match the requirement of global uniformity. The fact is that this harmonising tendency has emerged by undermining the diverse patterns of economy, localised needs and issues. At times the process of harmonisation has prevailed over economic autonomy and political sovereignty of developing and least developed countries. The GATS agreement is comprehensive and applicable to all levels of the governments - central, state, provincial, local and municipal. It is apprehended that the GATS principle would carve the sovereignty of the state, minimise the national interests and ignore universal service obligations. It is also said that the agreement for the development of discipline in the accountancy sector by the WTO's working party on professional services and its possible extension to other services like health and legal areas would undermine the government's authority to regulate consumer protection, ethical conduct and professional integrity (Ibid). It is alleged WTO has been formed under the protracted influence of the West to safeguard the interests of the multinational companies (MNC) of the developed nations especially those of North America. It is again said that the MNCs have a bigger say in the trade negotiations than sovereign states of the developing and least developed countries. Due to pressure from the lobbies in developed countries, GATS would force the developing and the least developed countries to open their services sector to trade leading to a "corporate take over" of the domestic service sector by the multinationals. Such a take over would undermine government's commitment to equity, universal service obligations and consumer protection (Ibid).
- b) WTO has introduced market driven competition among unequal partners. The developing and least developed countries, who are yet to fully develop their markets, infrastructure, domestic capacity for investment, etc., will face added disadvantages while encountering the process of harmonisation. This process will reduce the possibility of the potential entry of these countries in competitive markets. Again, the increasing emphasis on labour and environmental standards has put serious trade restrictions on these countries. The problems of unemployment, poverty and illiteracy, which are endemic in these countries, are being undermined in the process of harmonisation. The GATS negotiation would serve the export interests of the developed countries. Under the given situation the developed, developing and least developed countries are unevenly placed so far as the supply capacity in service is concerned. "Critics note that the present asymmetry and the bias in the market access commitment towards capital mobility as opposed to labour mobility (mode 3 as opposed to mode 4) works in the interests of developed rather than developing countries. It reflects a basic imbalance in negotiating positions and lobbying power between the two sides."

It is pointed out that GATS would not take into consideration the export interests of the developing countries, especially the cross-border mobility of labour (mode 4). The commitments to mode 4 “are highly biased towards the higher levels of service providers such as executives, managers and corporate transferees,” whose movements are usually linked to commercial presence.... There is considerable asymmetry in the current commitments on labour mobility compared to those on capital mobility, with a more liberal commitments being made on foreign equity participation. Such asymmetry in mode-wide commitments is one of the reasons why many countries do not see GATS as helping them to top their export potential in labour based services and why GATS has been perceived as only in the interest of the developed countries.” (For details see Chand 2002)

- c) The service sector of economy including both the traditional ventures like transport, physical and telecommunication, tourism and emerging areas like information and communication technologies (ICTs) and environmental and educational services has been undergoing a process of phenomenal expansion all over the globe in recent years. In the developed countries like the UK and the USA, it constitutes more than 72% and in the developing counties like India it is 52% of the GDP (World Bank 2005). This sector also provides a similar proportion of employment to the workforce of these countries. Again there has been considerable expansion in service sector trade and investment flaws. According to WTO Annual Report 1999-2001, the service sector accounts for 40% of the global annual stock of foreign direct investment (FDI) and for 50% of the World annual FDI flows (WTO 2001). It is a fact that developed countries has an exceptionally higher share in FDI in the service sector than the developing and least developed countries. Trade liberalisation in services as initiated through the Uruguay Round was largely due to pressure from the service sector lobby in the developed countries. It is also felt that since one of the modes of supply is commercial presence, “GATS would be a means for commercial interest in the developed countries to access developing country service markets in areas such as in service, banking and telecommunication through foreign direct investment.”

In the emerging global scenario, experts are of the view that in the service sector like construction and engineering, health and education services, the developing countries have considerable export potential due mainly to then availability of skilled and abundant labour. For example India has already emerged as the leading exporter of software services, and trained human resources too in ICTs.

- d) There are some ambiguities in the scope and coverage of the range of services covered by GATS. At times it is said that services provided in the exercise of government authority are excluded from the agreement. Again it is said that services, which are not supplied on a commercial or competitive basis, are excluded from GATS. As there is co-existence of private and government suppliers in many of the crucial services, these are amenable to diverse interpretations.
- e) GATS has imposed restrictions on the issues of subsidy, government procurement etc. policy. Such restrictions, it is alleged, would have adverse affects “on the cost, availability and equitable distribution of services (Ibid).

Reflection and Action 23.4

Write a critique of GATS in view of the socio-economic need of the marginalised groups of your society.

23.9 Implication for Health and Education

GATS has several implications on various aspects of social development, especially in the health and education sectors.

- a) **Health:** The health sector has a high degree of government involvement in the developing countries, as it is an area of immediate social concern. Progressive liberalisation of this sector has both benefits and problems. For example when one looks at the prospect of cross-border exports of health services, it is pointed out that through telemedicine the health care provider can serve the need of the remote and unserved segments of population. However, it may address the need of selected segments only in view of the prevalent digital divide within the country itself. Following the “consumption abroad mode”, the developing countries can generate foreign exchange by providing healthcare services to other countries. However, there may a contradiction. High quality service may be exported, while low quality is produced for local markets. Through “commercial presence”, the developing countries can generate additional resources for health care service, generate employment opportunities, reverse the brain drain, reduce the burden on the government, etc. However, such a possibility would need large foreign direct investment in the health sector. As the dual system emerges, better-qualified doctors will flow from the public to the corporate sector. Under the “movement of natural persons” the source country can get more remittances, upgrade skills and standards, and promote exchange of knowledge among health professions as providers of service. The host country, on the other hand, can meet the shortage; improve quality by getting service from the providers.

However, permanent outflows adversely affect the equity and quality of health services in the source countries. “Indeed the bulk of cross-border flows of health care professionals take the form of permanent migration. An estimated 10,000 health professionals emigrated from South Africa between 1989 and 1997. Again a dark side of this human flow from the source countries’ point of view is that it imposes high cost, leads to shortage of trained manpower and loss of public resources. One study estimated that South Africa lost 67.8 billion Rand in human capital investment in health care sector in 1997 (calculated from the training cost of Rand 600,000 per physician), a loss only partly offset by the remittances arising from such outflows” (Chanda 2002: 21)

- b) **Education:** In recent years the processes of commercialisation of higher education and foreign collaboration therein have increased. The GATS commitment to education services has both the positive and the negative sides. These sides are more or less similar to those of health services.

GATS, according to Edsalt (2000), is a charter of rights for corporations who (a) restricts to the right of governments to regulate them, (b) guarantees the transnational education providers the right to both operate and receive government funding (Edsalt 2000).

Critics also points out that the corporate world has found in WTO a forum to push their corporate agendas onto the unaware and unwilling countries and people without any democratic accountability. In this attack, they have discovered the possibility of manufacturing the thinking, the attitudes, and the purchasing choice of their corporations’ consumers and workers (Fraser and O’Sullivan 2003).

Corporations have seen the prospects in the deregulated education sector. In 1996 the US provided export of education and training services that reached \$8.2 billion with a trade surplus of some \$7 billion.

Box 23.7: Goal for Corporate World: An Example

The Coalition of Service Industries (CSI) has outlined their principal goals for the Seattle Round of WTO:

- Ensure the right of US companies to establish operations in foreign markets, including the right to wholly own these investments;
- Ensure that US companies get “national treatment”, so that foreign investors have the same rights as domestic companies in a given market;
- Promote pro-competitive regulatory reform focused on an adequacy of appropriate and consistent rules as well as transparency and impartiality of regulatory administration;
- Removal of barriers to greater cross-border trade;
- Remove obstacles to the free movement of people and business information.

Source: Frase and O’Sullivan 2003

With the phenomenal expansion of ICTs new models of commercialisation are added to education. There have emerged ruthless processes contributing to harmonisation of educational standards, decline in the uniqueness of educational institutions, elimination of cultural focus, thoughts and educational themes. With corporate controlled education, the security of an educational institution will disappear as it loses out to big merger deals and high-stakes investing. In fact the very ideal of education will change. No longer will truth be sought, but rather whatever suits the interests of the multinationals (Frase and O’Sullivan 2003).

Especially in developing countries education has a social concern. Governments subsidises education to meet the national goal. As subsidised education is a barrier to free trade, government controls are to be minimised on education through GATS. “Government may be forced to allow private companies to issue accredited diplomas, even if there is little control over what is being taught by these private institutions But perhaps more disturbing is the potential for education to increasingly serve only as a corporate training ground, rather than encouraging critical enquiry and other democratically agreed upon ends” (Ibid).

There is a strong feeling that GATS negotiation would serve the interests of the industrial lobby by imposing unequal bargaining power among the developed and the developing nations. Educational institutions and their services have been treated as national and social services. In fact, dissemination of knowledge, creation of knowledge and service to community are three tasks performed by educational institutions for nation building. The presence of foreign institutions would undermine this task by converting education into a commodity and by altering the content of education in terms of the market need (Gill 2003)

23.10 Conclusion

In this unit you must have seen the linkage between social development, globalisation and trade agreements. It is clear from the discussion in this unit that there are several issues, which are of great concern for the developing countries especially from the viewpoint of their sovereignty and cultural specificity. The concern has also been doubly compounded with the apprehension that WTO has been virtually taken over by the MNCs. The states in the developing countries are having several social and political commitments. One is not so sure that all these commitments and obligations would be fulfilled under the WTO regime. Perhaps we have to observe the functioning of WTO more vigilantly than ever to safeguard sovereignty.

23.11 Further Readings

Critique of Knowledge
Society

Chanda, R. 2002. *GATS and Its Implications for Developing Countries: Key Issues Concerns*. Department of Economic and Social affairs. United Nations: New York

Gill, S.S. 2003 “Globalisation: Higher Education will suffer”, in *The Tribune* July 20, 2003.

Night, J. 2002. *Trade in Higher Education Services: The Implications of GATS*. The Observatory on Borderless Higher Education: London



Unit 24

Dimensions of Knowledge Society: Issues of Access and Equity

Contents

- 24.1 Introduction
- 24.2 Technological Transformation and Human Progress
- 24.3 The Emergence of Information and Knowledge Society
- 24.4 What is Knowledge/Information Society?
- 24.5 Knowledge Economy and Knowledge Workers in a Knowledge Society
- 24.6 Skill Acquisition and Training for Work in Knowledge Society
- 24.7 ICT Infrastructure and Knowledge Dissemination
- 24.8 Dimensions of Work Participation in Knowledge Economy
- 24.9 Women in Knowledge Society
- 24.10 Conclusion
- 24.11 Further Reading

Learning Objectives:

This unit will enable you to understand and analyse:

- the emergence of knowledge society in the age of ICT;
- the distinctive features of knowledge society, knowledge economy and knowledge workers;
- skill acquisition and knowledge dissemination in knowledge society;
- dimensions of work participation in knowledge economy; and
- the role of knowledge and ICTs in empowering communities.

24.1 Introduction

Through the units of Block VI we have already seen how the forces of globalisation redefined the economic, social, political, cultural, etc. arena of contemporary human life. Revolutionising developments in Information Technologies (ITs) which occurred during post World War II or more specifically in 1970s and afterwards was an integral part of globalisation process that picked up increased momentum during this period. The rapid interaction and interconnectedness between and among societies created by the current phase of globalisation left Information and Communication Technologies (ICTs) to become dominant in every aspect of social system where technologies of information processing and communication became the core of productivity. Initiation in the processes of information handling, transmission, storage and retrieval become the key to human programmes and development and qualitatively different ways of life. In the emerging society — the information/knowledge society — knowledge and information; and the application of knowledge and information to knowledge generation and information processing/communication became the basic constituents of human progress. It paved the way for the emergence of a global knowledge economy – a networked society with a varied kind of economic and educational requirements and principles of organising the society, its moral values and identity. The World Development Report 1998/99 states that “today’s’ most technologically advanced economies are truly knowledge based creating millions of knowledge related jobs in an array of disciplines that are emerged overnight” (World Bank, 1999).

The World Employment Report, 2001 predicts that ICTs will have a major impact on the global employment in the future. It is restructuring the global social and economic equation – shifting from income divide to knowledge divide. In the developed countries ICTs have been the drivers of knowledge society.

As evident from the above discussion the information age knowledge becomes the basic form of capital, and the economic growth is driven by the accumulation of knowledge. Here the product with high knowledge component generates higher returns and a higher growth potential. In the knowledge economy, as distinct from peasant and industrial economy where economic wealth was produced by using human manual labour and machines respectively, the process of generation, dissemination and exploitation of knowledge produce economic wealth predominantly. Thus in the emerging knowledge society is one in which productivity is based on acquisition or generation, dissemination and application of knowledge or information. The main objective of this unit is to try and know more about knowledge society or information society. We will also try to trace its emergence and list its characteristics here. How and why the generation, dissemination and application of knowledge become integral part of knowledge society and dimensions of work participation in knowledge society also will be analysed in this unit.

24.2 Technological Transformation and Human Progress

Technological transformation has always played a crucial role in the progression of human societies from one stage to another. This transformation has widely influenced the economic, social, cultural and political institutional arrangements of the society by introducing changes in the nature of work participation in the organisation of production. The transformation of human societies from pre-industrial/agrarian to industrial and then again to post-industrial has widely been shaped by the innovation of new technologies. At the beginning of the 19th century, far-reaching changes in the social and economic lives of mankind were ushered by science, engineering and technology. The changes of that era were marked by the concerted efforts to abolish slavery and large-scale expansion of centralised factory production and the creation of industrial classes – workers and capitalists. This was characterised by production of manufactured goods, and acquisition of new skills required for industrial manufacturing. The latter half of the 20th century witnessed the advent of Information and Communication Technologies (ICTs), which heralds a new phase in the history and the changes brought about by it in the social and economic fabric are effectively unique. During this period there was a phenomenal expansion of computer communication, electronic technology and service economy (Bell 1976).

Table 24.1 Economic Indicators of Some selected Countries

Country	Income share in %			GDP in %					
	Population Below line	Lowest 20 %	Highest 20%	Agricultural		Industries		Service	
				1990	2003	1990	2003	1990	2003
Australia	-	5.9	41.3	3	4	29	26	67	71
Canada	-	7.0	40.4	3	-	33	-	64	-
Netherlands	-	7.3	40.1	4	3	29	26	67	71
U.S.	-	5.4	45.8	2	2	28	23	70	75
U.K.	-	6.1	44.0	2	1	35	26	63	73
China	4.6	4.7	50.0	27	15	42	53	31	32

Sri Lanka	25.0	8.0	42.8	26	20	26	26	48	54
India	28.6	8.9	41.6	31	23	27	26	42	52
Bhutan	NA	NA	NA	NA	NA	NA	NA	NA	NA
Bangladesh	49.8	9.0	41.3	28	22	24	27	48	52
Nepal	42.0	7.6	44.8	52	40	16	21	32	39
Pakistan	32.6	8.8	42.3	26	23	25	23	49	53

Critique of Knowledge Society

Source: World Bank 2005, UNDP 2004

Along the time, change has also been marked in the pattern of work participation. In the wake of industrialisation and rapid urbanisation there has been shift in the pattern of work participation from agricultural to non-agricultural economy not only in the developed but also in the developing parts of the world. However this shift has taken a new turn in the wake of the emergence of the postindustrial society whereby work participation increased in the service economy including those in the telecommunications, transport and marketing. It is significant that till the early decades of the last century a large segment of the workers of the industrialised nations like those of France, United Kingdom, America, Belgium, Japan etc. were in agriculture. Presently though agriculture accommodates substantive proportion of workforce, there has been increasing contribution of service sector to the GDP both in developed and developing countries (see Table 24.1). The blue-collar worker emerged very fast from the last quarter of the 19th century and then growth become very fast till the second half of the 20th century. Indeed the industrial workers grew phenomenally in the first half of this century in factories, mines, and transportation and by 1950s they emerged to be the actual majority of the working population in the industrialised countries. However in last 40 years they have declined equally rapidly first as proportion of the total and since the early 1980s, even in absolute numbers. The emergence of service sector (we will learn more about this in the later part of this unit) as a potential avenue for employment and earning has paved the way for the emergence of knowledge economy both in developing and developed countries. Agricultural wave, industrial wave and information age are the three stages of economic evolution of humanity according to Alvin Toffler. Presently the human society is undergoing the third wave i.e. the information wave, which is marked among others by explosure developments in information technologies and predominance of service employment (Toffler 1980).

Box 24.1: Toffler’s First, Second and Third Wave

In his book The Third Wave Toffler describes three types of societies, based on the concept of ‘waves’ - each wave pushes the older societies and cultures aside.

- First Wave is the society after agrarian revolution and replaced the first hunter-gatherer cultures.
- The main components of the Second Wave society are nuclear family, factory-type education system and the corporation. Toffler writes: “The Second Wave Society is industrial and based on mass production, mass distribution, mass consumption, mass education, mass media, mass recreation, mass entertainment, and weapons of mass destruction. You combine those things with standardisation, centralisation, concentration, and synchronisation, and you wind up with a style of organisation we call bureaucracy.”
- Third Wave is the post-industrial society. Toffler would also add that since late 1950s most countries are moving away from a Second Wave Society into what he would call a Third Wave Society. He coined lots of words to describe it and mentions names invented by other people, like the Information Age.

Source: The Third Wave 1980

24.3 The Emergence of Information and Knowledge Society

The roots of information society idea are closely associated with the idea of post-industrialism. Although the scientific and industrial predecessors of electronics based information technologies can be found in late 19th and early 20th centuries, it was during the second World War and its aftermath that the major technological break through in electronics took place: the first programmable computer, the transistor, source of microelectronics — the true core of Information Technology Revolution (see Box 24.3) (Castells 1996). Manuel Castells contends that the new information technologies, which include microelectronics, computers, and tele-communications diffused widely in 1970s accelerating their synergistic development and converging into a new paradigm (ibid).

Box 24.2: Information Technology Revolution

Although the technological inventions such as telephone by Bell in 1876, radio by Marconi in 1898, vacuum tube by De Forest in 1906 were landmark inventions in technological development, major technological brake through leading to a technological revolution in the human history based on electronics based technologies can be said to happened during and after the Second World War. The invention of transistor in 1947 made possible the processing of electronic impulses at a fast pace in binary mode of interruption and amplification, thus enabling the coding of the logic and of communication with and between machines. These processing devices are semiconductors, which are popularly called as chips. A decisive step in microelectronics had taken place with the invention of integrated circuit in 1957. It triggered a technological explosion. The giant leap forward in the diffusion of microelectronics in machine came in 1971 with the invention by an Intel engineer of Silicon valley, Ted Hoff, of microprocessor, that is the computer on a chip. Thus, information processing power could be installed everywhere.

The power of chips is evaluated by a combination of three characteristics: their integration capacity, indicated by the smallest line width in the chip measured in microns (1 micron is equal to 1 millionth of an inch); their memory capacity, measured in bits: thousands (k) and millions (megabits); and the speed of the microprocessor measured in megahertz. The technological advancements of the microprocessors were so fast that while the first microprocessor of 1971 laid in lines of about 6.5 microns the microprocessor of 1999 measured 0.25 microns. Greater miniaturisation, further specialisation and the decreasing price of increasingly powerful chips made it possible to place them in every machine in our everyday life.

The advent of microprocessor in 1971, with the capacity to put a computer on a chip, turned the electronics world and indeed the world itself upside down. The microcomputer or personal computer software also emerged in mid 1980s out of the enthusiasam generated by two Harvard drop-outs, Bill Gates and Paul Allen. Having realised its potential they went onto found Microsoft, today's software giant.

Indeed, to advances in microelectronics and software it has to be added major leaps forward in networking capabilities, which was made possible by major developments booth in tele communications and computer networking technologies during 1970s. during this period tele communications also had been revolutionized by a combination of 'node' technologies (electronic switches and routers) and new linkages (transmission technologies). Major advances in optoelectronics (fibre optics and laser transmission) and digital packet transmission technology dramatically broadened the capacity of transmission lines. Each leap and bound in specific technological field amplifies the effects of related information technologies.

Source: Castells 1996

Manuel Castells (1996) argues that in the new economy emerged around the world as a result of the current phase of globalisation process, productivity and competitiveness is by and large a function of knowledge generation and information processing or informatisation. In the new information age knowledge became the power and the tool for capital accumulation. According to Yoneji Masuda (1981) in the post-industrial, information-based society, knowledge, or the production of information values, will be the driving force of society, rather than industrial technologies (p. 29). Thus in the evolving information age the generation, dissemination and application of knowledge becomes the basis of all aspects of knowledge and hence it is also called as knowledge society.

Reflection and Action 24.1

Do you think the contemporary period is witnessing a technological transformation and a consequent social transformation? Why?

24.4 What is Knowledge/Information Society?

According to Daniel Bell, in information (and knowledge) society science plays an increased role in the productive forces; professional, scientific and technical groups will rise into prominence in addition to the vast expansion of information technology, which include a converging set of technologies in microelectronics, computing (machines and software), telecommunications/broadcasting, and optoelectronics etc. This will be the new axial principle of the economy and society. He forecasts the growth of new social framework based on tele communications which may be decisive for the way knowledge is created and retrieved, and the character of work and occupations people are engaged in. The computer will play a pivotal role. In information society knowledge and information will supplant labour and capital (as in Marxian view) as the central variables of the economy. Here the information will be treated as a commodity and the possession of information will give more power to its owner. There will be more and more penetration of information into more traditional areas of agriculture, manufacturing and services. There will be major social changes resulting from the establishment of new tele-communications infrastructure (Bell 1976). New forms of social interaction based on electronic communications devices are replacing older types of social relations. There is more application of IT to overcome the ecological and environmental problems associated with industrialism as well.

Manuel Castells (1996) prefer to call the emerging society as “informational” society where the process of generation and transformation of information generation has rather become the fundamental sources of productivity and power. To Scott Lash (1999) in the information society the source of power is information. Power in the manufacturing age was attached to property as the mechanical means of production. In the information age it is attached to intellectual property in the form of patent, copyright, and trademark so that they can be valorized to create profit. There is thus commodification of information and no time for reflection. In this society however it is not the commodification that is driving the informationalisation but the informationisation that is driving commodification. In this age inequality is less defined in terms of the relations of production but more by exclusion.

The society that is emerging is a “knowledge society” one which is characterised by “new structures” of knowledge, methods of dissemination and a technology that permits and sustains “unrestricted” access to knowledge and control over it. Thus in the contemporary phase of human society the proliferation of information technology has led to the emergence of a mass society that produces knowledge and information on a mass scale as the driving force of

economy (Naisbitt 1986:7). Consequently there has been the rise of the category of knowledge workers, who are fast replacing both histories' traditional groups and the groups of industrial society; the group, which is fast becoming the center of gravity of the working population. This group is also becoming the single largest group of the work force in the postindustrial society (Drueker 1994).

The social and economic dynamics of the knowledge society are widely shaped by the new forces of production, influence of the global market and the state. To Antony Giddens (2000) globalisation and knowledge economy are the co-constituents of the global information order and that this economy is populated by an active and reflexive citizenry of wired workers, whose knowledge is the principal source of production and they are non-hierarchical in their work environment.

According to Bob Jessop (2003) knowledge can acquire commodity value after entering the labour market and once it is made artificially scarce and its access depends on payment of rent. Knowledge can be transformed into a fictitious commodity by transforming it from a collective resources (intellectual commons) into intellectual property (eg. Patent, copyright etc.) for revenue generation; subsuming of knowledge production under exploitative class relations and by transforming intellectual labour into wage labour for producing knowledge for the market; and bringing intellectual labour under capitalist control through commoditisation and integration into a networked digitized production and a consumption process controlled by the capital. He foresees the possibilities of monopolies in knowledge and information by embedding them in technology, standards or legally entrenching in intellectual property rights.

It is now recognised that in the wake of present phase of globalisation ICTs have paved the way for the emergence of global knowledge society and economy; a networked society with a varied kind of economic and educational requirements and principles of organising the society, its moral, values and identity. In essence the ICTs have been juxtaposed to the process of restructuring of economic and social institutional arrangements of the knowledge economy of information age locally and globally. ICTs now offer a challenge to the conventional ways of getting information, knowing and disseminating. Thus this cutting edge technology has been linked to the new discourse of development. In this information age knowledge is the basic form of capital and that economic growth is driven by the accumulation of knowledge (cf www.med.gov.nz). There has emerged a symbiotic relationship between knowledge economy and ICTs for releasing the creative potential and knowledge embodied in people and harnessing local-global connectivity, for generation of wealth and to widen the market of this economy (Ibid).

Following are some of the distinctive features of knowledge society:

- The basis of knowledge-based development in the knowledge societies is the generation, dissemination and deployment of knowledge.
- In knowledge society scientific knowledge is considered as an asset and the scientific and technical group will rise into prominence.
- The social network in a knowledge society is based on tele and other communication technologies.
- The creation and retrieval of knowledge plays a decisive role in the organisation of work and occupation. The occupations, which make more and more innovative knowledge, will become predominant in this economy.
- The knowledge/information is treated, as commodity and the possession of knowledge gives more power to the owner.

- In knowledge society inequality is defined in terms of exclusion from knowledge.
- In knowledge society knowledge is transformed from collective recourses (intellectual commons) into intellectual property for revenue generation.
- In knowledge society the conflict is between minority knowledge workers and the majority traditional workers.
- Knowledge society will be far more competitive than the earlier societies, as knowledge will be key competitive factor for career and earning opportunities.
- Knowledge in the knowledge society basically exists in specialised application by specialised experts. The central work force will be the highly specialised people and not the generalists. Here the people who acquire the specialised knowledge will have the ever more scope of mobility. “It demands for the first time in history that people with knowledge take responsibility for making themselves understood by the people who do not have the same knowledge base. It requires that people learn to assimilate into their own work specialised knowledge from other areas and disciplines” (Ibid).

Reflection and Action 24.2

Some of the features of knowledge society are given in this text. Can you point out some more features

24.5 Knowledge Economy and Knowledge Workers in a Knowledge Society

In knowledge economy economic wealth is predominantly produced by using knowledge. Indeed it is an emerging society whose economic base is widely shaped by the processes of generation, dissemination and exploitation of knowledge. The neo-classical economists have emphasised on labour and capital to be key factors of development. To Paul Romer (1990) knowledge is the third factor of production and long-term growth it is the basic form of capital and that economic growth is driven by its accumulation. (www.med.govt.nz.). Here we may sum up the following features of knowledge economy:

- In knowledge economy knowledge is a public good, as this becomes object of wide use.
- As the knowledge economy is dependent on generation of knowledge for its prosperity here knowledge gained by experience is as important as formal education and training.
- A knowledge economy is to become a learning economy in order to utilise its full capacity and to take its optimum advantage. “Learning means not only using new technologies to access global knowledge, but also to using them to communicate with others about innovation. In the learning economy individuals, firms and countries will be able to create wealth in proportion to their capacity to learn and share innovation (Foray and Lundvall 1996; Lundvall and Johnson 1994). Formal education, too, needs to become less about passing on information and focus more on leading people how to learn (Ibid). Learning thus becomes a life long process in knowledge economy.
- According to OECD, ICTs are the facilitators of knowledge creation. In the knowledge economy ICTs are the tools for releasing the creative potential and knowledge embodied in people. Wealth generation is becoming more closely tied to the capacity to add value using ICT products and services.

Development, Displacement and Social Movements

Mondal (1997) highlights in a study that each job at Microsoft created 6.7 million new jobs in Washington State, whereas a jobs at Boeing created 3.8 million jobs. (Ibid)

In the information age individuals are put in the centre of the knowledge and skills based society. More than ever before, individuals want to master their own lives and expect to contribute to economy and society. The development of individuals as active citizens of society is increasingly given a central place in statements of learning, education and training objectives.

The individual is becoming the architect and builder responsible for developing his/her own skills, supported by public and enterprise investment in life long learning. ICTs are empowering the individual from a passive teacher-oriented approach to gaining knowledge; there is a shift towards learning for life and work, centered around the individual. The need to learn how to access, analyse and exploit information and transform it to new knowledge is increasing and in particular the Internet based technologies, offer great opportunities. The empowered individuals or the knowledge workers take charge of all spheres of society.

Knowledge workers of the knowledge society are distinctively different from those of the agrarian and industrial society workers. They are defined as “symbolic analyst” who manipulates symbols rather than machines. They include architects and bank workers, fashion designers and pharmaceutical researchers, teachers and policy analysts. They are associated primarily in service sector such as telecommunications, transport and financial services (www.med.gov.nz). Knowledge workers systematically accumulate knowledge, share it and deploy it purposefully. Continuously improving the stock of knowledge will be critical for their success. In the knowledge society the knowledge workers are valued very high. For e.g. In many of the American manufacturing companies the intangible assets are now worth more than tangible assets. These intangible or intellectual assets are based primarily on the skills and capabilities of their so-called knowledge workers.

The distinctive features of the knowledge workers are noted down here.

- The knowledge workers are the leading class of the knowledge society and necessarily the ruling class. They differ fundamentally from the other, groups in history who occupied the leading dominant position in then values, expectations and social position.
- They get access to work and social position in knowledge society through formal education and training.
- Quantity and quality of knowledge work will differ substantially based on the amount and kind of formal knowledge and training required for a particular job.
- As formal education occupies the center stage of the knowledge society, formal schooling emerges to be the key institution. Here the components of knowledge (knowledge mix), quality of learning and teaching not only become central concern of the knowledge society, but also central political issues. “In fact it may not be fanciful to anticipate that the acquisition and distribution of formal knowledge will come to occupy the place in the politics of the knowledge society which acquisition and distribution of property and income have occupied in the age of capitalism” (Ibid).
- It is significant that not necessarily the conventional system of schooling, but the systematic continuing education offered in the place of employment would get importance. Here an educated person will be someone who has learnt how to learn and throughout her/his lifetime,

continues to learn especially in and out of formal education. Thus acquisition of knowledge is not age specific but life long.

- The knowledge workers work in terms and work as employee in an organisation. They are to learn different kinds of terms for different purposes – their performance capacities, strengths, limitations and trade-offs between various kinds of terms. They are also to learn how to switch from kind of team to another and to integrate one self into a team
- Organisations in general provide the platform to the knowledge workers to convert their specialised knowledge into performance. In the organisation the knowledge workers are at times the employee and at time the bosses.
- The knowledge workers also own the tools of production. Unlike the capitalist society, true investment in the knowledge society is the knowledge of the knowledge workers, without knowledge whole production process is unproductive. It is the knowledge investment that determines whether the employee is productive or not, rather than the tools, machines and capital the organisation furnishes (Ibid).

Reflection and Action 24.3

What do you understand by knowledge workers? People working in tourism and sector are knowledge workers. Do you agree with this statement? Why?

The Three Levels of Knowledge Based Development

As we have seen in the foregoing discussions in the information age knowledge has broader meaning. In the past also clever and creative people always used knowledge to design innovative products and services. But in information age instead of knowledge being vested in one or two creative people it will be embedded in systems and data bases and made available to all. Here to achieve maximum effectiveness, knowledge must be systematically accumulated, shared and purposefully deployed.

That means knowledge based society is centered on the three process of knowledge accumulation, knowledge dissemination of the accumulated knowledge and application of that knowledge for the productivity of the society. An analysis of this process of knowledge accumulation, dissemination and deployment in terms of skills, infrastructure and experience in relation to knowledge production will enable to assess the dimensions of knowledge society and economy. It is required to take stock of the literacy and higher education levels to examine the skills for knowledge accumulation. The size and growth of the tele and other communication network will echo the infrastructure required for knowledge dissemination and economic structure will reflect the level of application of the knowledge in knowledge based society. Now in the following sections let us examine each of this separately.

24.6 Skill Acquisition and Training for Work in Knowledge Society

From the preceding sections of this unit we already gathered that the key characteristic of the knowledge economy lies in the belief that wealth (or productivity) is increasingly dependent on the development and application of new knowledge by specialist knowledge workers. It has been increasingly recognised that in knowledge society people's endowment of skills and capabilities and investment in education and training constitute the key to economic and social development. It is not so much physical capital, or human skills (human capital) that determines economic growth. It is the nation's

capability to apply knowledge to knowledge itself that is essential to economic development. Economies are increasingly being built on a foundation of information, learning and adaptation. Here both the quantity of knowledge increases and the production of knowledge accelerates (Scott 1997).

So an important aspect of the emergence of knowledge society is the readiness to acquire new skills. ICT use represents an augmentation of human skills and capabilities. In examining the skills it is vital to develop measures that indicate the state of readiness to enlarge the use of information to develop knowledge. A principal indicator of such readiness is literacy level. Literacy is the first indicator of the attainment of the skills level needed for the productive use of ICT – an imperative of the information age. Here literacy means more than knowing how to read, write or calculate. It involves understanding and being able to use the information required to function effectively in the knowledge-based societies that will dominate the twenty-first century.

Illiteracy is a fundamental barrier to participation in knowledge societies. Vast majority of the illiterate population will be excluded from the emerging knowledge societies. The skill attainment is hierarchical. The hierarchy begins with the attainment of basic literacy. All the work processes in which ICTs can make a contribution to economic growth require basic literacy.

In knowledge societies it is recognised by governments and organisations that knowledge contributes to individual well being, societal and economic growth. This recognition is translated into action when new models for lifelong learning are encouraged. By investing in their human resources enterprises can improve productivity and compete successfully in increasingly integrated world markets. For e.g. in Denmark enterprises that introduced process and product innovation combined with targeted training were more likely to report output growth. Countries with highest incomes are also those where workers are most educated. Studies indicate in high-income countries primary education is universal, secondary education is almost universal and tertiary education is approaching 50% of the relevant age group. In contrast in poor countries (least developed) primary education is around 71.5% secondary education is around 16.4% and tertiary education enrolments a mere 3.2% of the relevant age group.

Even though higher education has always been formally designed as a structure for the production and organisation of advanced knowledge, the emergence of a knowledge economy and the importance of globalisation and ICT place new demands on higher education. Firms that wish to compete in the global economy will have to possess the organisational abilities/knowledge that enable them to maintain or increase their competitive advantage in a turbulent market environment. It implies that for firms there is a need to have and/or train a flexible and versatile workforce. Firms, therefore, will express a continuous demand for courses in which their employees are retrained. In other words, great emphasis has been given to lifelong learning and the realisation of learning society. For the education of students, one of the implications of the knowledge-driven economy is that students will have to be prepared for a labour market in which they could change jobs many times during their working career. This means that students should acquire appropriate skills for this, and this will have to be reflected in the higher education curriculum – in its content, structure, length and mode of delivery. Thus in knowledge society higher education has itself become a tradable product.

The developed countries have a higher access to ICTs than the developing countries. Fast proliferation of ICTs in developing countries is widely due to sustained investment in education, research and development activities. These countries invest an average 2% of their GDP (e.g. US 2.8%, UK and Australia

1.9% each) in research and development, while countries like India do not spend even 0.1% of the GDP for the same purpose (see Table 24.2). Similarly the developed countries have been consistently spending a higher proportion of their public expenditure in higher education. Advanced countries invest at least 30 times more per student in education and training than in the LDCs. However the developing countries started spending more on education than being spend previously. It becomes evident that human resources development and training contributes to improved productivity in the economy, reduces skills mis-matches in the labour market and promotes a country's international competitiveness.

Another important consequence of the acceleration of scientific and technological progress is the diminished emphasis on remembering countless facts and basic data and the growing importance of methodological knowledge and analytical skills — the skills needed for learning to think and to analyse information autonomously. Today, in a number of scientific disciplines, elements of factual knowledge taught in the first year of study may become obsolete before graduation. The learning process now needs to be increasingly based on the capacity to find and access knowledge and to apply it in problem solving. Learning to learn, learning to transform information into new knowledge, and learning to translate new knowledge into applications become more important than memorising specific information. In this new paradigm, primacy is given to analytical skills; that is, to the ability to seek and find information, crystallize issues, formulate testable hypotheses, marshal and evaluate evidence, and solve problems. The new competencies that employers value in the knowledge economy have to do with oral and written communications, teamwork, peer teaching, creativity, envisioning skills, resourcefulness, and the ability to adjust to change.

Lifelong learning: The second dimension of change in education and training needs is the short “shelf life” of knowledge, skills, and occupations and, as a consequence, the growing importance of continuing education and of regular updating of individual capacities and qualifications (Wagner 1999). In OECD countries a lifelong-education model is progressively replacing the traditional approach of studying for a discrete and finite period of time to acquire a first degree after secondary school or to complete graduate education before moving on to professional life. Graduates will be increasingly expected to return periodically to tertiary education institutions to acquire, learn to use, and relearn the knowledge and skills needed throughout their professional lives. This phenomenon goes beyond the narrow notion of a “second chance” for out-of-school young adults who did not have the opportunity to complete much formal study. It has more to do with the updating and upgrading of learning that will be required in order to refresh and enhance individual qualifications and to keep pace with innovations in products and services. The concept of “lifelong learning for all” adopted in 1996 by the OECD ministers of education stems from a new vision of education and training policies as supporting knowledge-based development. Lifelong-learning requirements may lead to a progressive blurring between initial and continuing studies.

Reflection and Action 24.4

What is the signifacance of life long learning in knowledge societies?

Country	Adult Literacy (%)	GDP Per Capital US \$	Urban Population	Telephone per 1000		Cellular Per 1000		Internet Per 1000		Public Expenditure on education		Public Exp. in Higher Education of Total of all levels	Expenditure on Research and Development as % of GDP
				1990	2002	1990	2002	1990	2002	GDP in % (1990)	Govt. Exp. In %		
Australia	100	28260	91.6	456	539	11	640	5.9	481.7	13.8	4.6	22.9	1.5
Canada	100	29480	80.1	656	635	22	377	3.7	512.8	14.2 (1990)	5.2	35.7	1.9
Netherlands	100	29100	65.4	464	618	5	745	3.3	506.3	10.4	5.0	26.5	1.9
U.S.	100	35750	79.8	547	646	21	488	8.0	551.4	15.4	5.6	26.3	2.8
U.K.	100	26150	89.0	441	591	19	841	0.9	423.1	NA	4.6	17.2	1.9
China	91.0	4580	37.7	6	167	0	161	0	46.0	12.8 (1990)	2.3	NA	1.1
Sri Lanka	92.1	3580	21.1	7	47	0	49	0	10.6	8.1 (1990)	1.3	13.4 (1990)	0.2
India	61.3	2670	28.1	6	40	0	12	0	15.9	12.7	4.1	20.3	NA
Bhutan	47.0	1969	8.2	4	28	0	0	0	14.5	12.9	5.3	NA	NA
Bangladesh	41.1	1700	23.9	2	5	0	8	0	1.5	15.8	2.3	11.1	NA
Nepal	44.1	1370	14.6	3	14	0	1	0	3.5	13.9	3.4	12.1	NA
Pakistan	41.5	1970	33.7	8	25	0	8	0.33	10.3	7.8	1.8	NA	NA

Source: UNDP 2005

24.7 ICT Infrastructure and Knowledge Dissemination

In knowledge societies not only the creation of knowledge is important, its dissemination and knowledge sharing with the world around is equally important. In the information age ICTs are the main medium for knowledge dissemination. In this information age the info-technological revolution is restructuring the global social economic equations – shifting from income divide to knowledge divide. We stand at the dawn of the new millennium which ushers with it a world of greater interconnectivity, accelerating flow of data and shrinking time and national boundaries. Accessibility of World Wide Web (WWW) is turning world into global village. The prediction is that around one billion will be

“online” by the end of 2005. The decreased cost of processing and dissemination of information and increased convergence of information, computer and telecommunication technologies became the base of knowledge societies.

Knowledge sharing is the interactive process of making the right information available to people at the right time in a comprehensible manner to enable them to act judiciously- enriching the knowledge base in the entire mechanism. Knowledge sharing can occur at all levels— between countries, within a country, between communities and among individuals. It can occur from local to global, from poor to rich and vice versa. Knowledge dissemination and sharing became indispensable in day today life, for good governance, participation of people in their development etc. Unrestricted and continuous sharing of global and local knowledge between policy makers, public and private sectors and civil society heralds the way forward to an empowered knowledge society, which can efficiently manage the development change process. It ensures inclusion of poor and marginalised communities in the change process.

Rapid technological advance since Second World War occurred due to the convergence of telecommunications and computing technology, known as Information and communication technologies (ICT). ICT have been the drivers of the knowledge society. They are providing new and faster ways of delivering and accessing information, innovative ways for real time communication and new ways to do business and create livelihood opportunities. Since ages, knowledge has been passed on from one generation to the other through written text, folklore, word of mouth religions and customs. The knowledge however remained preserved geographically and hierarchically. On the other hand ICT breaks all the natural, social, cultural and hierarchical barriers to knowledge sharing. It has the potential to help the people to leapfrog some of the traditional barriers to development by making use of knowledge in various ways such as by improving access to information, expanding their market base, enhancing employment opportunities, making government services work better etc.

In the contemporary global context the use of information and communication technologies (ICTs) is expanding rapidly. ICTs comprise a diverse set of technological tools and resources to create, disseminate, store and manage data and information. Traditional ICT tools such as television, radio and the telephone have proven their effectiveness in promoting development. The emergence of computers, the Internet and wireless communications technology, along with powerful software for processing and integrating text, sound and video into electronic media, comprise modern ICT. For the past two decades the spread of the global electronic network of computers, popularly referred to as the Internet, and wireless telephony has generated an unprecedented global flow of information, products, people, capital and idea. Internet based electronic mails, newsgroups, discussion groups and interactive web sites hold boundless potential to reach everyone who is connected to the Internet to target specific information.

The greatest advantage of ICTs is the reach and low cost of technology and data transmission. Technically, every individual can have a private or public access to a data terminal, which connects him to each and every individual in the world. Knowledge dissemination and knowledge sharing in knowledge societies depend on ICT infrastructure, which mainly include telecommunications, computer-mediated communication — the Internet and mass media of communication.

Tele-communication Network

Tele communication network is a key facilitator to knowledge society. Tele communications system is one of the most complex systems ever built by the humankind. It has penetrated to every aspect of human life. In the 19th

century, the invention of the telegraph and the telephone forever changed how messages moved around the world.

Telephony made possible virtually instantaneous two-way communication between any two places in the planet connected by appropriate wiring and switching devices. In the beginning most of the telephony networks were developed as public monopolies, though US was an exception. Extensive international organisational arrangements were established to ensure interconnectivity through common networks standards. The International Telecommunications Union (ITU) and related Treaty arrangements represent some of the first attempts to develop effective forms of international governance (Wiesman 1998). Since 1980s governments in all countries have come under increasing pressure to commercialise, privatise and deregulate their tele communications industries and by late 1990s virtually all national telephone networks have been at least partly privatised and opened up to national and international competition. This resulted in drastic decreases in the price of international communications services and thereby promoting a faster and cheaper knowledge dissemination.

Tele communications is now but one form of the processing information; transmission and linkage technologies are increasingly diversified and integrated into computer-operated networks.

The latest development in the tele communication technology, the cellular or mobile phones shows a convergence of different communication technologies. Although the cell phones, or at least the technology behind them, have been around since the 1960s, tremendous technological improvements in cell phones started happening for the last one-decade and half. Sending images, text messages and, of course, sound. Every month, it seems, a new cell phone comes out that's "smarter" than the last in its ability to gather and transmit a growing amount of data: voice, images, news and more. Of late technologies of photography, broadcasting, audio system and Internet all converged into one gadget of cellular phone.

Computer Mediated Communication Network – the Internet

The Internet network began in 1960s (see Box 24.5) in United States and soon became common. Internet network became the backbone of the computer-mediated communication in 1990s, since it gradually links up most networks. In the mid-1990s it connected 44000 computer networks and about 3.2 million host computers worldwide with an estimated 25 million users and it is expanding rapidly (Castells 1998). In the year 2005 Internet network crossed 6 million computer networks (see Table 24.5).

Box 24.3: The Beginning of Internet

The Internet originated in a daring scheme imagined in the 1960s by the technological worriers of US Defence Department Advanced Research Project Agency (DARPA) to prevent a Soviet takeover or destruction of American communication in case of nuclear war. To some extent it was the electronic equivalent of the Maoist tactics of dispersal of guerrilla forces around a vast territory to counter an enemy's might with versatility and knowledge of terrain. The outcome was a network architecture that, as its inventors wanted, cannot be controlled from any centre, and is made up of thousands of autonomous computer networks that have innumerable ways to link up going around electronic barriers. Ultimately ARPANET, the network set up by the US Defence Department, became the foundation of the global, horizontal communication networks.

Source: Castells 1998

The rapid evolution of microprocessor technology since its discovery as well as the swift advances in fibre optic network technologies resulted in rapid growth of computing power and the communication power of people around the world. This advances in the technology enabled the development of new types of services to be used in digital format. Technological advances have also slashed the costs of information and communication. Services such as electronic mail (E-mail) has become free of cost. Internet telephony offers much cheaper long-distance communication than the traditional telephone. The cost of transmitting digital information anywhere in the world has also fallen dramatically. Until the early 1980s, communication was generally restricted to analog signaling, which means each telecommunication network was designed to carry different types of information separately. Voice traffic was carried over the telephone system, text used a separate telex network and high-frequency broadcast networks were dedicated to sending video and audio signals. With digital communication, these separate networks are becoming less differentiated. The Internet currently carries a combination of pictures, drawings, moving images, sound and text. The technologies of telephone and television, the radio and camera, the fax and word processor, the data base and the spread sheet all are integrated into one system, the Internet, which makes Internet unique in its capacity to support two-way interactions. Since early 1990s the World Wide Web (WWW) has become the mainstream environment for creating and disseminating digital information.

Previously access to Internet was almost exclusively form personal computers. This has been changing for the past couple of years. As mentioned earlier now Internet is available through mobile phones (data enabled wireless telephones). This development did enabled users in remote areas to access the Internet and its related services without a basic ICT infrastructure.

Table 24.3: World Internet Usage and Population Statistics in 2005

World Regions	Population (2005 Est.)	Population % of World	Internet Usage, Latest Data	Usage Growth 2000-2005	% Population (Penet-ration)	World Users %
Africa	896,721,874	14.0 %	23,867,500	428.7 %	2.7 %	2.5 %
Asia	3,622,994,130	56.4 %	327,066,713	186.1 %	9.0 %	34.2 %
Europe	731,018,523	11.4 %	273,262,955	165.1 %	37.4 %	28.5 %
Middle East	260,814,179	4.1 %	21,422,500	305.4 %	8.2 %	2.2 %
North America	328,387,059	5.1 %	223,779,183	107.0 %	68.1 %	23.4 %
Lain/America Caribbean	546,723,509	8.5 %	70,699,084	291.31 %	12.9 %	7.4%
Oceania / Australia	33,443,448	0.5 %	17,655,737	131.7 %	52.8 %	1.8 %
WORLD TOTAL	6,420,102,722	100.0 %	957,753,672	165.3 %	14.9 %	100%

Source: <http://www.internetworldstats.com/stats.htm>

Box 24.4: Increase in PC and Net users in India

Sale of personal computers increased by 20% in 2004-05 to 3.63 million units due to strong demand from the financial, IT and telecom sectors. It is expected to grow 17% to 4.25 million PCs during the current fiscal. Internet subscribers also went up by 23% in 2004-05 to 2.92 million over the previous year.

The rise in PC sales can be attributed to the home segment, which posted a growth of 48% Significant consumption by the telecom, banking, manufacturing as well as BPO and IT services segments also contributed to the rise in PC sales.

Smaller cities and towns fuelled the IT consumption with C class cities accounting for over 50% of total PC sales. The Manufacturers’ Association for Information Technology (MAIT) made these projections based on a study conducted in 22 Indian cities. The survey showed small regional brands and unbranded systems accounted for 41% of sales in 2004-05, down from 53% in the previous year. Indian brands accounted for 24% of total sales, up from 21% in 2003-04 and MNC brands grew to 35% in 2004-05 from 26% a year ago.

The PC industry has been witnessing lower growth rates in the last four years due to a larger base. “the association is giving a very conservative estimate of 17% at this point of time, and the growth could be about 25% over the next four years,” said Vinnie Mehta, executive director, MAIT. Increased usage of broadband and higher penetration in small towns could drive up the growth rate of 25%.

Hindustan Times, July 6, 2005

Mass Media of Communication

Wireless broadcasting was one of the great contributors to the development of oral communications culture in the 20th century. It became one of the important mediums for knowledge dissemination in information age. Unlike telecommunication where communication happens from person to person, here knowledge is transferred from one person to many. The mass media are media of communication—newspapers, magazines, television, radio, movies, videos, CDs, and other forms—that reach mass audiences. Out of this visual media of which visual media became predominant communication medium especially in the information age. Led by television there had been a communication explosion in the last three decades. Marshall McLuhan argues that media influence society more in terms of how they communicate than in terms of what they communicate.

Reflection and Action 24.5

Do you think India is transforming towards a knowledge-based economy? Why?

24.8 Dimensions of Work Participation in Knowledge Economy

We have already learnt that in the postindustrial information society knowledge and information are the major sources of productivity and growth. The Asia-Pacific Economic Co-operation (APEC) Economic Committee extended this idea to state that in a knowledge based economy “the production, distribution and use of knowledge is the main driver of growth, wealth creation and employment across all industries” (APEC 2000). There is a growing belief in the past few decades that knowledge can do more than increasing economic growth; it can also lead to structural change in an economy and therefore society. Such change differs from the incremental changes to which all economies are constantly subjected. Neef (1998) states that the new products and services resulting from technology growth may bring about profound changes in the way we live and work. He argues that this economic transition is characterised by the changing nature of work from low skill to high skill. This is reflected in the rapid growth in the services sector since the 1960’s and in more recent changes in the goods-producing sector towards employing higher-skilled employees.

It is important to note here that the classical theory of post industrialism combines three statements which show the trend in the shifting employment pattern (Bell 1976):

- a) The source of productivity and growth lies in the generation of knowledge, extended to all realms of economic activity through information processing.

- b) Economic activity would shift from goods production to services delivery. The demise of agricultural employment would be followed by the irreversible decline of manufacturing jobs, to the benefit of service jobs, which would ultimately form the overwhelming proportion of the employment. The more advanced an economy, the more its employment and its production would be focused on services.
- c) The new economy would increase the importance of occupations with high information and knowledge content in their activity. Managerial, professional and technical occupations would grow faster than any other occupational position and would constitute the core of new social structure.

According to Toffler, the “second wave” formed an entirely new concept the “massification” in which we find mass production, mass markets, mass consumption, mass religion, mass political parties, weapons of mass destruction etc. He argues that the third wave will show a reverse trend where minority interests will come to the fore. The economy will be based on the productivity of knowledge work and knowledge worker. Whereas the organisations in second wave were built around the availability of land, labour and money, the third wave company will be firmly based on development of knowledge and imaginative use of technology. Hence it is obvious that in the information age there will be a change in the economic structure where there will be tilt towards the more openings in knowledge based economic sector, i.e. service sector. The contribution of high value added manufacturing and services to the national economy is measured as one of the key indicators of a knowledge economy. This is because they are more knowledge intensive and less labour intensive.

We have already seen that the revolutionising developments in information, computer and telecommunication technologies and its low cost and high accessibility created a marked change in the employment structure of both developed and developing economies. In knowledge societies knowledge-based service industries form a significant proportion of GDP and there is a reliance on knowledge technologies to foster business competitiveness, economic and employment growth. And this is evident if we examine the economic structure of different countries. Data shows that the agricultural workers who form the majority of the work force till the early 20th century and the industrial workers who grew very fast in the second half of the century in the developed countries now declined to be minority in the workforce. Now the workers of the service sector are replacing these categories of workers very fast all over the world though varying degrees (see Table 24.1). For example in Australia agricultural workers formed 5.0%, industrial workers 21% and the service workers formed 74% of the total work force and in India they formed 52.43%, 10.87% and 36.7% of the work force in 2001. There has been increase of the share of the service sector to the total GDP of these countries and corresponding decline of the share of the agriculture and industries.

Manuel Castells (1998) roughly classify service economy into different categories. This includes producer services (banking, insurance, real estate, engineering, accounting, miscellaneous business services and legal services), social services (medical, health services, hospital, education, welfare and religious services, non-profit organisations, postal service and miscellaneous social services), distributive services (transportation, communication, and whole scale and retail services) and personal services (domestic services, hotel, eating and drinking places, repair services, laundry, beauty and barber shops, entertainment, and miscellaneous personal services). He argues that there is a significant increase of job participation in these services in G7 countries in the past few decades. According to him the evolution of employment during post-industrial period (information age) shows at the same time, a general pattern of shifting away from manufacturing jobs, and

two different paths regarding manufacturing activity: the first amounts to a rapid phasing away of manufacturing, coupled with a strong expansion of in producer services (in rate) and in social services (in size), while other services activities are still kept as source of employment. A second, different path more closely links manufacturing and producer services, more cautiously increases social services employment and maintains distributive services (p 215)

24.9 Women in Knowledge Societies

The emerging knowledge societies, which are based on global competition, progress in information technologies and a move towards knowledge-based economy, pose several opportunities and challenges to women.

The New Job Opportunities for Women: The new ICTs enabled the work to be brought to homes and allows for better accommodation of work and family schedules and this created new types of jobs that favoured women. Women have also been able to capture a large proportion of jobs in ICTs-enabled services. The most promising potential for women is in the creation of new jobs at call centres and in work involving data processing. The ILO reports “telecentres and fax booths have created a quarter of a million jobs in India in the last four years alone, a huge proportion of which have gone to women”.

By the end of the 1990s, almost 5000 women in the Caribbean countries were employed in data-processing activities. The ILO Report adds, “in terms of numbers employed, the role of women in the digital economy has become more marked in on-line, export-oriented information-processing work rather than in telecommuting”.

Internationally outsourced jobs, such as medical transcription work or software services, do make a considerable difference to the lives and career paths of women in developing countries. In software, women enjoy preferences on a scale that they never experienced in any other field of engineering and science. Women in India occupy 27 per cent of professional jobs in the software industry, which is worth 4 billion US dollars annually. Women’s share in the employment total in that industry mounted to 30 per cent in 2001.

The ICTs have enabled women to tap global markets for their products and raised incomes. New technologies and networking are new means by which women are empowered to improve their economic and social status. Let us see some examples.

Sapphire Women, created by a woman in Kampala, Uganda, is an organization that supports women who have lost family members to AIDS, as well as supporting orphans created by the AIDS epidemic. The members of Sapphire weave traditional Ugandan baskets which are then sold on the Internet with the help of Peoplink, an American-based NGO with extensive experience in on-line sales of handicrafts.

The Grameen Bank Village Phone project, which provides mobile cell phones to its mostly female members in Bangladesh, demonstrates not only the employment-generating impact of the women who collect fees for the usage of their mobile phones, but other positive spill-over effects as well. Mobile phones and access to the Internet have given rural Bangladeshi women access to learning, created new opportunities for autonomy and improved their position in community and public life.

These examples illustrate how technology can improve the lives of poor women by opening up opportunities they were previously excluded from. Electronic networking between women has led to new social and economic phenomena, such as e-campaigns, e-commerce and e-consultation. The empowerment of women via technology in this way enables them to challenge discrimination and overcome gender barriers (ILO).

However, all these new avenues have been created around the contemporary development pattern of globalisation. This while creating some new opportunities for women also leaves negative imprint. While more competition sets in, the attention given to labour welfare decreases markedly. Moreover, most of the newly created job opportunities are in the informal sector, which provide no job security. All these compels women to work in an exploitative work atmosphere.

Reflection and Action 24.6

Examine the opportunities and challenges women have in the present economic scenerio shaped by large scale technological development.

24.10 Conclusion

During the second half of the 19th century there began a great revolution in storage and communication of information. After industrialisation society moved towards a post-industrial information age where production dissemination, and deployment of knowledge became the basis of productivity and social advancement. The evolving information/knowledge societies marked by rapid advances in science and technology, convergence of the information, computer and communication technologies and the reduced cost of processing and disseminating information; and the increasing connectedness of nations. These revolutionary changes said to transform societies into smart communities largely through the impact of the converging new information, computer and telecommunication technologies (ICTT).

This unit examines the background of the information revolution and the characteristic features of the emerging society. It also analyses why and how knowledge becomes the basic constituent of this society.

24.11 Further Reading

Castells, M. 1998. *The Information Age: Economy, Society and Culture*. Vol. I *The Rise of Network Society*. Blactwell Publishers: London

Bell, Daniel 1976. *The Coming of Post industrial Society. A Venture in Social Science Forecasting*. Basic Books: New York

Jessop, B. 2000. "The State and the Contradictions of the knowledge Driven Economy". In Bryson, J.R. etal (eds) *Knowledge, Space, Economy*. Routledge: London

Unit 25

Critique of Knowledge Society

Contents

- 25.1 Introduction
- 25.2 Criticisms of Knowledge Society
- 25.3 A Critical Appraisal of Discourses on Web-based Knowledge Dispersal
- 25.4 The Digital Divide in Knowledge Society
- 25.5 The Digital Divide Among and Between the Global Countries
- 25.6 The Question of Literacy in Knowledge Society
- 25.7 Accessibility of ICT Infrastructure In Knowledge Society — the Internet
- 25.8 Divide in Employment Accessibility
- 25.9 Conclusion
- 25.10 Further Reading

Learning Objectives

This unit enables you to critically analyse:

- the conceptual dilemma in defining knowledge society;
- theoretical discourses that examine technology and human progress;
- the empirical impediments in accepting knowledge society as a universal phenomenon;
- the extend of knowledge/digital divide in the contemporary information age.

25.1 Introduction

The idea and concept of knowledge society got wide popularity towards the end of twentieth century. This concept has been widely contested too and has been questioned by various scholars from diverse corners. Social scientists have criticised its content, form and direction. Let us see some of these criticisms in more detail here in this unit. The theoretical discourses that examine technology and human progress and the dimensions of knowledge and digital divide in knowledge societies are also discussed here.

25.2 Criticisms of Knowledge Society

- All societies are knowledge societies and hence the argument that the present society is an emerging knowledge society is questioned.
- There still exists an ambiguity in defining knowledge society, which is evident from the interchanged use of knowledge and information society as well as knowledge economy.
- Ambiguity exists not only in defining knowledge society but also in defining the very concept of knowledge with relation to knowledge society.
- The very ambiguity in defining knowledge and knowledge society makes it difficult to measure knowledge society empirically.
- The difficulty in measuring the knowledge society makes it difficult to measure the extent of penetration of knowledge society into all spheres of society.

- Knowledge society is often referred to as like long learning society. But projects and plans by individuals and groups and institutions to develop lifelong learning are more credibly regarded as a response to the requirement of the state in knowledge society rather than to an independent requirement of the knowledge society itself.
- Growth in higher education is taken into account in assessing the growth in knowledge society. The question is that whether the higher education ensures a the emergencie of an egalitarian society. Or does the knowledge society ensure equal to higher education to all seations of the population can knowledge society ensure an equal standard for higher education.
- Studies on knowledge society indicate a growing “digital divide” (we will learn more about this in the later part of the unit) within and across the communities. It looks as if the pre-existing inequalities in the society are only reinforced in knowledge societies.
- It in often chained that knowledge societies would bring progressive transformations in the society. However, innumerous examples of system crash, deskilling, ever insufficient upskilling, redundant mountains of hardware, incessant innovation, enforced creativity, workplace and lifestyle stress etc., also represent a substantial matter of “knowledge failure” or “systemic waste”. One should not take sight away from such realitics of knowledge society.
- The different theoretical strands related to Internet based knowledge transmission have their own critical approach about knowledge society (we will learn more about this in the succeeding section).
- Some of the knowledge society imperatives such as international economy, fully modenised state, the future of work and well being all seems to be thrust upon the people leaving no scope for the people to make their own choice for accepting or rejecting the system.
- It is also argued that the social fatalism has reached a height that the latest technological determinism strips the collective and individual intelligence or knowledge of people of its most precious characteristics, namely the ability to critically question and to device alternatives to what must inevitably be.

Now in the following section let us critically evaluate the theoretical discourses on knowledge transmission in knowledge societies.

Reflection and Action 25.1

You must have been experiencing the proliferation of various elements of the knowledge society both in your individual and collective social existence. Based on your regular experience write a critique of knowledge society.

25.3 A Critical Appraisal of Discourses on Web-based Knowledge Dispersal

There are different discourses that relate knowledge and power in a knowledge-based society. Foucault (1977), who demonstrated how knowledge and power are related, argues whenever someone transmits knowledge it involves power. Whenever power is exerted, knowledge is involved. The four discourses related to Internet based knowledge transmission, which forms significant basis of knowledge-based society are techno-utopianism, techno-cynicism, techno-zealotry and technostructuralism (<http://cade.icaap.org>). In this section let us look briefly the counters of these theoretical discourses. The concentration or dispersal of knowledge power through the medium of Internet and World Wide Web is the main question in all these four discourses.

Techno-Utopianism

Techno-utopians are optimists who believe the Web leads to greater access to education and there by greater dispersal of knowledge. This facilitates the universal accessibility of knowledge and this may lead to empowerment of larger section of the population because in knowledge-based society the acquisition of knowledge empowers the individuals. In this discourse, they argue, the Web i) lowers barriers that impede access to education in face-to-face settings, ii) will eventually result in equity, iii) reaches the hard-to-reach iv) straddles cultural boundaries v) constitutes a “paradigm shift” in learning and education vi) fosters high degrees of interaction vii) leads to a reinstallation of fading local democracies viii) invites learner participation ix) encourages a desirable level of collaborative (rather than individual) learning, teamwork and cooperation.

Techno-utopians are often have a global vision about the ICT infrastructure and ICT penetration without taking into account local particularities. They predict a universal dispersal of knowledge through Internet and World Wide Web without taking into consideration of the fact that a vast majority of the world population are in the developing countries where the first priority of the people even in this 21st century is the basic amenities of life not ICT infrastructure. For example in developing Asia, despite techno-utopian talk of “paradigm shifts” there are only roughly 9.8 million people on line - a mere 0.3 percent of the population (Erickson, 1998). Techno-utopians version of “information highway” - a utopian narrative which argue that progress and salvation through technology and transportation - makes little sense in most part of the world even today. If the techno-utopians fail to view technological advancements in the societal contexts of inequality, illiteracy, poverty, ill health and other forms of social backwardness that persist in many parts of the globe, the paradigm shift that they claim that they claim the technological will bring about may instead lead to a “paradigm lost” (SinghaRoy 2002).

Techno-Cynicism

Techno-cynics have a critical view about the role of Internet and Web in the dispersal of knowledge. They do not believe that the Web is a wired utopia for learning and education. Instead, they argue, it will lead to a concentration of power. Techno-cynics are realists, distrust corporatism and the commodification of education and regard globalisation as a code for Americanisation. They argue the Web i) will not significantly enhance access to education, ii) will not yield equity iii) will aggravate the gap between the ‘have’s’ and ‘have-nots’, iv) will converge around the orthodoxy of Americana (Boshier, Wilson and Qayyum 1999), v) will help foist free-trade on the world and thus lower occupational, health and environmental regulations, vi) enable global enterprises to monitor markets and make instantaneous adjustments with the click of a mouse and thus reinstall exploitative colonialism.

Techno-cynics were largely critical of techno-utopian ideas. They argue that technology itself is not bad. The problem is in the way it constructs relationships. They believe being too connected (online) may deprive people of humanity. Interactions through Net give people a chance to ignore the human side of such relationships. A disturbing part of the techno-cynic position is enunciated by Mander (1996) who argues that economic globalisation involves the most “fundamental re-design” of socio-political and economic arrangements since the industrial revolution. Advocates and beneficiaries of the new order (free trade, deregulation, restructuring) use computers, not to empower communities, as techno-utopians would claim, but as a tool of financial exploitation. “Computer technology may actually be the most centralising technology ever invented, at least in terms of economic and political power. This much is certain. The global corporation of today could not exist without computers. The technology makes globalisation possible by conferring a degree of control beyond anything ever seen before” (p. 12). In the old days this kind of globalisation was called colonisation.

Techno cynics disagree with the techno utopians on many grounds. They agree that the virtual universities – a major mode for the dispersal of knowledge in knowledge societies according to the utopians – in effect will function as a digital diploma mills. Noble (1997) is a leading North American exponent of techno cynicism claims online courses will lead to commercialisation of higher education, the loss of faculty independence, a secondrate “shadow cyber-education” and virtual universities with perhaps no faculty whatsoever.

Another argument is on the basis of racial divide. In the United States access to the Web appears to depend on race. According to a study done by Hoffman and Novak (1998) in late 1996 and early 1997, 44.3 per cent of white and only 29 percent of black Americans own a home computer. In households with incomes \$40,000 or less, white people were six times more likely than black people to have used the Web in the week prior to the survey.

Another manifestation of techno-cynicism arises from the Web’s inclination to promote a conservative view of education. They argue that there is much more to education than filling empty vessels or producing “stuffed docks.” The problem with Web learning, according to them, is with the fact the Web and too many other distance technologies deliver information without raising appropriate questions or to make a critical evaluation of the information transferred. The Web causes people to think of education as an information transfer process. “We are building an educational system on the assumption that our minds are a lot of hard drives that can simply be filled up with data” (Ott 1998).

Techno-Zealotry

For Techno-zealots power relations of technology and knowledge are irrelevant because technology has inherent value irrespective of how it used. In significant ways, technology is neutral. Techno-zealots are typically consultants or academics with few theoretical pretensions and a vested interest in cultivating corporate interests or others who control research and development grants. Techno-zealots typically use a PowerPoint presentation (which greatly minimises the likelihood of critique) to enthuse about “convergences,” “paradigm shifts” and the galaxy of wonders lying at the intersection of telecommunications and computers (<http://cade.icaap.org>).

In the techno-zealotry discourse i) deploying the Web is a “rational-technical” process that knows no bounds. It’s just a “technical” problem, ii) statements about the benefits of the Web are couched as grand generalisations which have little regard to discrepancies between rich and poor, developed and developing countries or the learning proclivities of different people iii) technology and the Web are worth pursuing for their own sake - irrespective of the context or what they might mean for the human condition, iv) the Web is a technology bristling with potential for profit.

The views of techno-zealots are significantly detached from material realities including rural landscapes, where information technology is nowhere to be seen. They argue that information technology can overpower “cultural barriers, economic inequalities (and) compensate for intellectual disparities. High technology can put unequal human beings on an equal footing and that makes it the most potent democratising tool ever devised” (Pitroda 1993). But the critiques view that in a situation where the number of people without phones is growing faster than the number of people with them, the prospect of bandwidth intensive Web applications seems downright criminal (Leonard 1998).

Techno-Structuralism

Techno-structuralists are not interested in whether technology is good, bad or neutral. They are mostly interested in institutional forces or the social context wherein the Web is used. In the techno-structuralism discourse there are questions about: i) who is using the Web, who is doing what to whom and for

what reason? ii) the extent to which the Web is “World Wide” or largely carrying an American message iii) the extent the Web will invigorate or enfeeble democratic structures and processes iv) will it reinforce or challenge the interests of corporate, political and military elites? v) will it lead to a celebration of “information highway” (an utopian concept) vi) the nature of power relations nested in Web learning and education? vii) how the Web suits the modus operandi or learning proclivities of different groups (such as indigenous people, women, rural folk).

The centrepiece of this discourse is the way technology is used. As Galtung (1979) noted “A naive view of technology sees it merely as a question of tools – hardware – skills and knowledge and software. These components are certainly important, but they are the surface of technology, like the visible tip of the iceberg. Technology also includes an associated structure, even a deep structure, a mental framework, a social cosmology, serving as the fertile soil in which the seeds of a certain type of knowledge may be planted and grow and generate new knowledge ... Tools do not operate in a vacuum; they are man-made and man-used and require certain social arrangements”.

According to the techno structuralists although the Web can facilitate vertical and horizontal communication, more information does not, by itself, lead to desired action. It’s a question of who is doing what to whom and why? Other questions informed by a techno-structuralist discourse concern who uses the Web.

After having a look at the theoretical critiquing of knowledge societies, let us turn to the one of the often discussed aspect of empirical critiquing of knowledge society the digital/knowledge divide.

Reflection and Action 25.2

What are the differences that you can find between techno-utopians and techno-structuralists?

25.4 The Digital Divide in Knowledge Society

In the previous unit we have already seen that the free flow of information and ideas has sparked an explosive growth of knowledge and its myriad new applications in the information age. We also noticed that information, its access, dissemination and control, is at the core of this revolutionary phase of human development and as a result, economic and social structures and relations are being transformed in the contemporary phase of human development. Yet the vast majority of people in the world remain untouched by these revolutionary developments in information and communication technologies and explosive growth of knowledge. Although this transformation to information age and knowledge society offers many potential benefits to developing and transition countries, increasing reliance on digital information and advanced communication technologies carries, at the same time, the real danger of a growing digital divide/gap among and within nations.

Digital or knowledge divide refer to the gap between the technology-empowered and the technology-excluded communities in the world around; as well as to the lack of information transfers in and between these communities. The developing world and transition economies comprise the largest portion of the digital and knowledge divides. While global teledensity shows signs of improving the gap between those with and without access to the Internet continues to increase throughout the world. The ‘digital divide’ has created a knowledge gap between information rich and information poor peoples, which has the potential to give rise to a new form of ‘illiteracy.’ The ‘digital divide’ promotes information and knowledge poverty and limits the opportunities for economic growth and wealth distribution. ICTs spur the

creation of economic and social ‘networks’ of individuals and communities. The power of these networks is their ability to connect diverse groups by allowing them to access and exchange information and knowledge that is crucial for their socio-economic development. Traders and entrepreneurs benefit from ICTs through the opportunities created by promoting their businesses nationally, regionally and globally. As well, ICT offers the possibility of delivering basic health and education services more efficiently because people can have access to them from their own communities. Unfortunately the accessibility to ICT to the larger population is very limited and hence their chances for taking advantage of these technological developments is very limited creating a division among people.

Our increased ability to communicate and share information and knowledge increases the possibility for a more peaceful and prosperous world for all of its inhabitants. However, the majority of the world’s people will not be able to benefit from this information revolution unless they are enabled to participate fully in the emerging knowledge-based society. In an universal knowledge society knowledge and information should be easily accessible to all, including those living in rural areas and the disabled. Special attention must be paid to the marginalised, unemployed, underprivileged, disenfranchised peoples, children, the elderly, the disabled, indigenous peoples and those with special needs. The universal human values of equality, and justice, democracy, solidarity, mutual tolerance, human dignity, economic progress, protection of the environment, and respect for diversity are the foundations for a truly inclusive global information society. Now let us examine in the succeeding sections the digital or knowledge divide in relation to skill and infrastructure for knowledge generation and dissemination and employment structure in knowledge societies.

25.5 The Digital Divide Among and Between the Global Countries

The ‘digital divide’ threatens to widen the already existing development gap between the rich and the poor among and within countries. The majority of the world’s people will not be able to benefit from this revolution unless they are enabled to participate fully in the emerging knowledge-based information society. Internal divide is between digitally empowered rich and the disempowered poor; linguistic cultural divide between domination of Anglo-Saxon and the other world culture; divide in access of technology between the rich and the poor nation; and the divide between the values of ICTs driven affluent elite and conventional authority and hierarchies (Keniston 2003). Disparities in per capita income and standards of living could translate into the marginalisation of entire societies or segments of society. Also within countries, technological change often means that groups, which were already disadvantaged or excluded — low-income families, rural populations, women, minorities, and the elderly — fall farther behind. In the United Kingdom, for example, only 4 percent of households in the poorest income quintile are connected to the Internet, compared with 43 percent in the top quintile, and the gap is increasing every year. In the United States the proportion of Afro-American families that are connected is half that for white families (OECD 2001: 149). The 2001 ILO report reveals a “digital gender gap” in many parts of the world, including OECD countries. Although some economies have near parity in Internet use (examples are Taiwan, China, with 45 percent female users, and Korea, with 43 percent), the situation is more often far from balanced.

On a global scale, it divides industrial and developing countries according to their ability to use, adapt, produce, and diffuse knowledge. In Korea the number of households connected to the Internet in 2000 doubled, raising the total to 3 million homes, whereas in Japan only 450,000 homes are connected. The technological gap between high-income and low-income countries is

reflected in the number of personal computers per 1,000 inhabitants — less than 1 in Burkina Faso, compared with 27 in South Africa, 38 in Chile, 172 in Singapore, and 348 in Switzerland. Sub-Saharan African countries together have 1 Internet user per 5,000 population; in Europe and North America the proportion is 1 user for every 6 inhabitants (International Communications Union data). Among developing countries, the digital divide sets apart the technologically more advanced countries from the less advanced ones. Whereas a few African countries with small populations still lack even one Internet host, in Singapore 98 percent of households use the Internet. Within a given region, some countries have a stronger information and communication infrastructure than others. In Sub-Saharan Africa the number of Internet hosts per 1,000 population ranges from 0.01 in Burkina Faso to 3.82 in South Africa (International Telecommunications Union data). Most reports on disparities in ICT access within countries look at the problem according to socio-economic criteria such as race, income, geographical location, education, age, gender, and disability.

Notwithstanding this divide many experts are of the opinion that the countries that do not adopt and adapt to the current technological changes will be marginalized widening further digital divide within and between the countries.

Reflection and Action 25.3

What do you understand by digital divide? Examine the dimensions of digital divide that exist in our country.

25.6 The Question of Literacy in Knowledge Society

In the information societies knowledge is the power. But this knowledge power will become reality only if one has accessibility to knowledge.

The appearance and the rapid evolution of ICT have created at least two major challenges for education: to achieve the appropriate integration of ICT into overall education systems and institutions, and to ensure that the new technologies become agents of expanded access and equity and increase educational opportunities for all, not just for the wealthy or the technologically privileged. Indeed, early policy research in the United States, one of the first widespread adopters of new ICT, found strong evidence that uneven access to the technologies was worsening existing equity gaps in education. Explicit attention needs to be given to equity considerations so that the new technologies, which “shatter geographical barriers (may do so without) erecting new ones and worsening the digital divide” (Gladieux and Swail 1999: 17).

There is another potential threat for education in knowledge societies. It is now established that the knowledge economy needs an educational arrangement to promote extensive use of ICTs, educational programmes that can be traded across the border as commodity and life long learning for the workforce. Several noted experts on distance education however, have viewed ICTs as a vehicle for commercialisation education globally. To David F. Noble (1997) against the backdrop of phenomenal expansion of ICTs educational campuses are now being identified as a significant site of capital accumulation by converting intellectual activity into intellectual capital. To him this processes has penetrated with the process of commoditisation of the research function and of the educational function of the university, transformation courses into courseware, learning instruction itself into commercially viable products that can be owned, bought and sold in the market. Against the backdrop of the exponential emergence of knowledge economy he highlights that the corporate and political leaders of the major industrialised countries in order to retain their economic supremacy now turn towards the “knowledge-based” industries.

To him, as impacts of commoditisation of university function, teachers as labour are made subject to all the pressures of undergoing rapid technological transformation from above. They have also reduced their autonomy, independence, and control over their work. Now universities are transformed into market for the commodities being produced, whereby faculty who conducted research in the role as educators and scholars, has become instead producers of commodities for their employer. 'Much to suffice the commercial end there has emerged close partnership between universities and industries to convert the instructional process into marketable products, such as a CD ROMs, Websites, or courseware which they themselves may or may not "deliver" (Noble 1997).

Latchem, C. and Hanna, D.E. (2002) find that in general the 'higher education is experiencing a shift from supply driven to a demand driven pressures due to impact of globalisation and information and communication technology (ICT), competition from new providers, and the need to be self sustaining. Universities are increasingly seeking solutions to these challenges in the open and the flexible and ICT based online or virtual learning, and the ODL system also getting transformed from quality driven and marginal to commercially-oriented and mainstream.

25.7 Accessibility of ICT Infrastructure in Knowledge Society – the Internet

In the previous unit on Knowledge Society we have seen how the ICT infrastructure of tele and Internet based information dissemination technologies act as the backbone of knowledge societies. In this information age Internet is the largest self-governing organisation, all pervasive. Even those opposed to globalisation depend on it to exchange ideas and mobilise support. While the Internet facilitates exchange of ideas, access to knowledge, communication between diverse people etc., it also alters the structure of knowledge and proves advantageous to those who have better access to it. The information technological revolution is restructuring the global social economic equations – shifting from income divide to knowledge divide. But how can Internet and corollary technologies contribute to the building of knowledge societies without universal access to education and information? How can people benefit from the Internet if they lack access or if they are in constant fear of persecution?

In the so-called knowledge societies more than 850 million people in the developing countries are excluded from the wide range of information and knowledge. The poor in the developing countries remain much isolated economically, socially and culturally from the burgeoning information and progress in arts, science and technology. Little is known about the barriers to evolution and growth of knowledge societies in developing countries in spite of advancements in the use of information and communication technologies.

Real disparities exist in access to and use of information and communications technology (ICT) between countries (the "international digital divide") and between groups within countries (the "domestic digital divide"). There is a wealth of real and anecdotal evidence to support this statement. The volume of statistics is impressive and persuasive: "In the entire continent of Africa, there are a mere 14 million phone lines – fewer than in either Manhattan or Tokyo. Wealthy nations comprise some 16 per cent of the world's population, but command 90 per cent of Internet host computers. Of all the Internet users worldwide, 60 per cent reside in North America, where a mere five per cent of the world's population reside" (Nkrumah). "One in two Americans is online, compared with only one in 250 Africans. In Bangladesh a computer costs the equivalent of eight years average pay" (The Economist). Underlying trends are often lost in the heated debate over how to define the problem, but a pattern emerges from within the statistics.

There is an overall trend of growing ICT disparities between and within countries:

- All countries, even the poorest, are increasing their access to and use of ICT. But the “information have” countries are increasing their access and use at such an exponential rate that, in effect, the divide between countries is actually growing.
- Within countries, all groups, even the poorest, are also increasing their access to and use of ICT. But within countries the “information haves” are increasing access and use at such an exponential rate that, in effect, the division within countries is also actually growing.

This basic pattern of disparities is repeated again and again with other technologies such as telephones. There is a wide disparity in access to phones. In 1998 there were 146 telephones per thousand people in the world, but only 19 per 1000 in South Asia, and only 3 per 1000 in countries such as Uganda (World Bank 2001). Mobile Phones show a similar disparity, for every 1000 people in the world, 55 had mobile phones in 1998, but only 1 person in 1000 had a mobile phone in either South Asia or Uganda.

Two basic disparities exist in the affordability of ICTs – in the basic cost of the technology, and in the cost of the technology relative to per capita income. Access costs are almost four times as expensive in the Czech Republic and Hungary as in the United States (during off hours; peak prices are even higher) (OECD 2001). Outside a few select countries, only wealthy individuals and sections of the middle class can currently afford access. The majority of people in developing countries cannot afford the technology, even when it is available, so usage remains low: “Poverty remains the greatest barrier to Internet growth in Africa. The monthly connection cost for the Internet in Africa exceeds the monthly income of a significant portion of the population (Ibid).

Now if we turn to domestic scene we can see that ICTs however, function in societal context. Most reports on disparities in ICT access within countries look at the problem according to socio-economic criteria such as race, income, geographical location, education age, gender etc. if we take the case of India, we can see that globalisation and information age have led to a diverse social formation in India within and between societies. A large section has remained outsiders from within, being subordinated and excluded from the dominant processes of globalisation and knowledge economy. Indian societal context is ridden with unequal distribution of resources, and divides based on caste, class, ethnicity and gender. Illiteracy, low income and spatial isolation widely contribute to sustain the pre-existing social exclusion. Along the time, there are also the dimensions of digital divides of various sorts. These divides are between rich and poor, between urban and rural, between English speaking upwardly mobile literati and non-English speaking rest of people. This digital divides are again accentuated with the varied extent of access of electricity, telephone and computer in different states in India (See table 7). In the globalised world while these has emerged areas of inclusion; there also exists a vast section as excluded from within. While most of the urban areas have been connected with the forces of globalisation and ICT networks and a distinctive category of elites have emerged therein as the ICT driven ‘digiterati’ within the same urban set a large segment of the work force working mostly in the unorganised sector and surviving in a sub-human existence has remained excluded from the ICTs access. The rural areas on the other hand while the rudimentary forms of connectivity have only touched the upwardly mobile gentry; the agricultural labourers, tenants, poor peasants and the artisans who represent the vast section of the marginalised people of India has also remained excluded. Their educational and economic status often bar them from getting integrated with the information age.

Table 25.1: Digital Divide in India

Country	Access to Electricity % of household	Telephone Connection per 100 people (2004)	Internet Connections per 1000 people
Maharashtra	59.7	5.34	8.21
Pubjab	83.5	10.86	1.24
Kerala	61.1	9.79	0.87
Karnataka	63.0	5.58	2.73
West Bengal	18.8	1.96	2.51
Orissa	20.1	2.45	0.12
Uttar pradesh	-	4.66	0.12
Andhra Pradesh	-	4.76	-

Source: Balakirishnan 2001 and Observer Statistical Handbook 2005

The linguistic diversity and cultural identity

Here we may analyse the impact of certain incidents of the information society on social and cultural development. Culture is at the heart of contemporary debates about identity, social cohesion, and the development of a knowledge-based economy. The promotion of linguistic diversity on global information networks, the production of local and indigenous content on the Internet and universal access to cyberspace are central issues. Language is one of the major barriers to the formation of perfect knowledge societies in developing countries. Each day over two million pages are added on the Internet but there is a very small content representation on the net in the vernacular languages of the southern countries. Statistics point out that over 85% of the content on the net is in English; yet fewer than one in ten people worldwide speak that language. Further, with high rates of illiteracy in the developing countries, people who are unable to read the content even in local languages would be excluded from the knowledge-sharing network. Thus, the literally well connected have an overpowering advantage over the illiterate poor, whose voices and concern would be left out of the global conversation.

Reflection and Action 25.4

Do you think the existence of multiple languages in India will hamper the growth of knowledge based society in India? Suggest some ways to over come the situation.

25.8 Divide in Employment Accessibility

In the contemporary phase of rapid globalisation and revolutionary changes in the technological developments there is a widening gap in terms of country’s participation in global economy and the benefits that these countries, enterprises and individuals reap from this participation. Also within many countries the gap in terms of access to decent work and incomes and participation in economic and social life is widening between various income groups. The poorly educated and trained are generally the losers in the process of economic change where society as a whole seems to march towards higher order of development. This is what happens in knowledge societies. Those who have access to knowledge and related technologies can take advantage of emerging economy and thus the economic advantage. This true in the case of both the individuals and nations.

Globalisation, declining communication and transportation costs, and the opening of political borders combine to facilitate increased movements of skilled people (knowledge workers). This dynamic is de facto leading to a

global market for advanced human capital in which individuals with higher education are the most likely to participate (Carrington and Detragiache 1999). This may lead to mobilisation of qualified people from lesser developed to the developed countries, thereby depriving the developing countries the service of their better minds.

In this 21st century marketplace, the richer countries strive to attract and retain the world's best-trained minds in many ways. Among the more powerful "pull" factors are effective policies that stimulate R&D activities and increase direct investment, offer attractive post-graduate training and research opportunities, and recruit younger graduates and professionals (Glanz 2001). OECD countries are increasing their investments in R&D not only in the science and technology sector but also in other knowledge-based sectors, thus creating job opportunities for well-trained people. For example, in early 2001 the Australian government announced a 100 percent increase in the funding of the Australian Research Council and a tax write-off equivalent to 175 percent of the value of R&D spending by firms.

Roughly 25 percent of the science and engineering students in U.S. graduate schools come from other countries. This amounts to some where between 50,000 and 100,000 students from abroad who are introduced into the U.S. market for advanced human capital. Most of these students received their basic education and first degrees in their home countries — meaning that the cost of their initial training was probably assumed by the countries of origin rather than by the country of employment (NSF 2000: app. table 4-22). Advanced countries are opening recruitment offices in countries where, because of lack of opportunity and political instability, graduates are available. Australia, Canada, EU members, and others all compete for their share of well-trained people in the global marketplace. France and Germany have freed up the issuance of visas to attract foreign professionals in technology-related areas, and in October 2000 the United States introduced an amendment to its immigration laws that made available 600,000 new visas for scientists and engineers.

The global labor market for advanced human capital is an expanding reality that brings the circulation of skills and the related problem of "brain drain" to the forefront of national concern, particularly in developing countries. Whether it results from push or pull factors, brain drain can have a debilitating effect on national governing structures, management capacities, productive sectors, and tertiary institutions. It is estimated, for example, that at least 40 percent of the graduates of the highly regarded Indian Institutes of Technology seek employment abroad. The countries of Sub-Saharan Africa have an average tertiary enrollment rate of only 4 percent, compared with 81 percent in the United States, yet it is estimated that about 30,000 Africans holding Ph.D.s live outside Africa and that 130,000 Africans are currently studying overseas. Although the phenomenon of brain drain – international mobility of skilled human resources – existed in the past too, this received an increased acceleration in the contemporary phase of technological development when knowledge and knowledge workers become commodities of high value. The rising process of brain drain can have positive as well as negative effects on countries at all levels of development. Developing countries, however, tend to suffer largely adverse consequences, as they may lose the very technical and professional specialists who would be capable of contributing to poverty-alleviating improvements in the living conditions of the local population.

25.9 Conclusion

This unit makes an attempt to make a sociological critiquing of the phenomenon of knowledge society at all the three levels of conceptual, empirical and theoretical. In conceptual critiquing the very concept of knowledge-based society is questioned since all the human societies are knowledge societies. Also the ambiguity in defining the concept of knowledge is widely criticised.

On theoretical grounds there are different ideological strands that relate technology and human progress. While techno utopians consider technology all pervasive and it leads to universal human progress, techno cynics consider technology as facilitating the existing societal divisions and inequalities. Whereas, techno structuralists are not concerned with the merits of technology but the way technology is used. They believe that if technology is used with a deliberate determination of reducing the existing disparities in development, it will be beneficial to the humanity as a whole. In empirical critiquing the unit is more focused on digital/knowledge divide. The wide gap in the mass participation in the process of knowledge production, dissemination and deployment in a knowledge-based society has been highlighted in this unit. We have seen wide disparities in ICT accessibility exist between the countries on the basis of GDP rates and within the countries based on socio-economic criteria such as geographical location, race, income, education etc.

From the fore-going discussions we understand that the challenge before the knowledge-based society is whether such a society, the basis of which is the universal phenomena of knowledge and its production, dissemination and application actually will be able to achieve the universal concepts of equity and equality to all.

25.10 Further Reading

Castells, Manuel 1996-8 *The Information Age: Economy, Society and Culture*. Vol. 1: *The Rise of the Network Society*; Vol.2: *The Power of Identity*; Vol. 3. *End Of Millennium*. Blackwell: Oxford

Giddens, Anthony 2000. *The Third Way and its Critics*. Polity Press: Cambridge

Jessop, Bob 2003. "The State and the Contradictions of the Knowledge-Driven Economy". In Bryson, J.R. et.al. (eds.) *Knowledge, Space, Economy* Routledge: London

Unit 26

Changing Roles of Media and ICTs on Employment

Contents

- 26.1 Introduction
- 26.2 The Evolution of Mass Media
- 26.3 Mass Media and Globalisation
- 26.4 Internet as Mass Media
- 26.5 ICTs — the Convergence of Information and Communication Technologies
- 26.6 ICTs Boosted Service Economy
- 26.7 ICTs and Employment Opportunities
- 26.8 Challenges for ICTs for Better Application in Service Economy
- 26.9 Conclusion
- 26.10 Further Reading

Learning Objectives

This unit will help you to understand:

- the process of evolution of mass media of communication;
- the shift in the approaches and the functioning of mass media in the globalisation era and its impact on the socio-cultural aspects of society;
- the interface between Internet and mass media and the convergence of mass media of communications with other information technologies in the contemporary period;
- the impact of convergence of information and communication technologies on employment; and
- the challenges for ICTs for better economic growth and new form of employment generation.

26.1 Introduction

The term ‘mass media’ refers to any medium of communication such as newspaper, radio, motion pictures, television, designed to reach the masses and that tends to set standards, ideals and aims of the masses. The distinctive features of any mass media undertaking is the dissemination of information and ideas to the public, or a portion thereof. The mass media may be said to include the print media of newspapers, magazines and books, the broadcast media of radio, television and movies and the comparatively newer form of media, the Internet. However latest forms of media such as Internet have not as yet made their way to a large enough area beyond major towns and cities to have significant mass impact, especially in developing countries. The traditional media has a comparatively larger reach and audience. These mediums have a good reach and can be used for entertainment or education. Mass media present the opportunity to communicate to large numbers of people and to target particular groups of people. Mass media communication is significantly different from other forms of communication in that it has the capacity to reach ‘simultaneously’ many thousands of people who are not related to the sender.

Media today has evolved into a multi-faceted entity that has become an integral part of our life. Using available technology, such as the Internet, we can now communicate with one another anywhere on Earth instantly. The technological developments of the past few decades which resulted in the convergence of information and communication technologies has affected all spheres of human life especially in the economic front. The present unit will deal with evolution of mass media, its changed dimensions in the globalisation era and its collaboration with latest developments of communication technology of Internet. The unit also deals with the impact of convergence of information and communication technologies in the economy and employment front.

26.2 The Evolution of Mass Media

If we look into the history of human communication the development of speech can be viewed as one of the defining characteristics in the transition to human civilisation. The use of pictures and writing allowed communication to move beyond the face-to-face requirements of direct speech and facilitated the development of trade and monetary exchange across large distances. The invention of printing in fifteenth century and the rapid spread of the art of printing marked the period of profound, even revolutionary change in the medium of communication around the world. Printing technology was designed for reproducing alphabetic systems. The first printed pages appeared more than 500 years ago... since then, the media has been delivering information, entertainment educative materials etc.

For centuries civilizations have used print media to spread news and information to the masses. During this period printing was the dominant information transfer medium, and for much of that time was unchallenged and so also further development of the technology was slow. Mechanical power was applied to the printing press in the 19th century and the mechanical systems entirely displaced typesetting by hand. In 20th century dramatic developments have taken place in mass media. The mechanical system was replaced by the electronic type setting and in the contemporary period the most advanced the digital type setting.

By the middle of the 19th century, newspapers became the primary means of disseminating and receiving information. The invention of the telegraph in 1844 transformed print media. The new technology enabled the transformation of information within a matter of minutes, allowing more timely, relevant reporting. During this period newspapers were appearing in societies around the world.

Broadcast radio exploded onto the media scene in the 1920s. The introduction of technologies of “mechanical reproduction” such as phonograph, photography and cinema created new opportunities for disseminating images to wider audiences with increased power and immediacy the inventions of telephony, radio and television have been even more significant in compressing time and space in communicating information to larger masses. The invention of recording and the development of telegraphy and wireless gave a vast great significance to oral communications. The invention of telephone was a great advance on telegraph, which allowed direct spoken communication. Wireless broadcasting was a great contributor to the further development of oral communications from one person to another. Different from telephone, which can be used for communication from one person to another, this could be used for communication from one person to many people provided that all of the would-be recipients of the signal had appropriate equipment on which to receive it. Wireless broadcasting of both speech and music was established in many part of the world by the first half of the 20th century and it was rapidly becoming an integral part of daily life. This gave a challenge to print in many fronts. The broadcasters could at the same time beat the printed newspapers in the immediacy of their coverage and occupy the leisure time that might

otherwise have been devoted to reading books. The term mass media was coined around 1920s with the advent of nationwide radio networks and of mass-circulation newspapers and magazines. The mass-media audience has been viewed as forming a mass society with special characteristics, notably atomization or lack of social connections, which render it especially susceptible to the influence of modern mass-media techniques such as advertising and propaganda.

The other great popular medium of mass communication during this period was cinema. Film was one of the most potent mechanisms for propaganda in the 1930s and around World War II around the globe (Feather 1998). The new medias of both broadcasting (it became “radio” in popular speech by 1960s) and cinema began to undermine the primacy of print by 1930s.

Although influential, sound broadcasting and the cinema had their limitations. The former made its impact being instantaneous, the later did so by its use of powerful visual images, emotive music, and evocation of life style far beyond the reach of vast majority of its audience. Television greatest of mass media did both (Ibid).

From very tentative beginnings in 1936, television became, within little more than 30 years, the most universal and most powerful medium of communication and information ever invented. It was at once domestic, universal, instantaneous and ubiquitous. Like radio and cinema, television broadcasting also needed a complex and costly infrastructure, although in real terms the cost began to fall in 1980s as new miniaturised and digital technologies became widely available. Due to the rapidity and pervasiveness of television as communication medium very soon after its appearance in historical scene it became synonymous to mass media.

The technological revolution of today is creating new challenges and opportunities for traditional media. Never before has so much information been so accessible to so many. The amount and immediacy of information in the latest mass mediums are unparalleled. But it has not signaled the end of the traditional mediums. Newspapers in print remain a popular and powerful medium for the reporting and analysis of events that shape our lives. Taken together, the mass media of 20th century have enriched and enhanced the lives of hundreds of millions of people throughout the world. Despite the apprehensions of the moralists and the governments and the complaints of partially displaced cultural elites, mass media like radio, cinema and above all television have given more access to more information to more people than at any time in the history.

The current process of globalisation which gained an accelerated pace in 1970s and afterwards with the rapid changes in the technological and other developments had its impact on the mass media of communication also. The emergence of Internet as a networked communication and other technological advancements provided a new paradigm to mass media.

Let us learn globalisation impact on mass media.

Reflection and Action 26.1

Do you think the traditional mass media of communication such as print and radio became less significant in the current phase of technological development? Justify your answer.

26.3 Mass Media and Globalisation

During 1980s new technologies transformed the world of media. Newspapers were written, edited and printed at distance, allowing for the simultaneous editions of the same newspaper to be published from different parts of the world. Radio became increasingly specialized with thematic and sub-thematic

stations. VCRs exploded all over the world and became in many developing countries a major alternative to the official TV broadcasting. Also it provided great deal of flexibility to the use of visual media. There has been a decisive change in the nature of mass media with the multiplication of television channels. This process has been facilitated by a worldwide trend toward deregulation and privatisation of the mass media, which was till then largely under the control of the State. Development of cable TV technologies, fostered in the 1990s by fiber optics and digitisation, and of direct satellite broadcasting dramatically expanded the spectrum of transmission and put pressure on the authorities to deregulate communications in general and television in particular (Castells 1998).

The development of cross border TV stations accelerated powerfully at the end of 1980s due to the globalisation trends that was manifested all over the world. The boom in satellites, the proliferation of installed bases of dish antennae over vast regions of the world, progress in the miniaturisation of TV control rooms, cameras and small scale transmission stations that drastically reduced the distance and time in transferring communication widely lead to the success of the cross border TV transmissions. Cross border TV networks reach millions of homes around the world via cable network or collective or individual reception of satellite signals. CNN is a channel which best embodies the instant, global worldwide status of television. The channel today can reach every region around the world via a network of satellites covering the whole planet.

The growth of global mass media firms has been fueled by a parallel move toward deregulation and privatisation of mass media organisations. This is most clearly evident in the broadcasting sector, which in many countries of the world had been maintained as nonprofit, public service, state supported entities. As the forces of capitalism and entrepreneurship have emerged as the dominant model of economic organization, the state has receded as a regulator of the market place. This development has allowed the global media giants to enter into partnerships with dozens of national mass media firms around the world to produce, provide and/or disseminate news and entertainment to domestic markets. Advances in satellite broadcasting has secured the presence of the giant mass media firms in the cultural and information market place of every region of the world.

Perhaps the most significant development of the last two decades in international communication is the increasing concentration of mass media ownership within and across national borders. Concentration of mass media ownership has had two significant implications for the ways news (and other cultural products) is assembled and disseminated world-wide: First, concentration of ownership and privatisation of mass media has been accompanied by commercialisation of news and other cultural products, a trend that is characterised by aesthetic, technical, and professional standardization at the global level. And second, alliances between the international "media moguls" such as Rupert Murdoch and forces of political conservatism has led to increasingly "soft" media content. These phenomena are part of the process of globalisation.

Currently there are five major corporate players in international mass communication. These giants are News Corp., Disney/Cap Cities, Time Warner, Viacom, and TCI. In addition, two other "mini-giants," General Electric and Westinghouse have global ambitions. Of these seven firms, all but Viacom and TCI have major news components. News Corp. is the owner of or significant partner in newspapers, television stations, and satellite broadcasting systems (including STAR TV and Sky TV) around the world. Disney/Cap Cities owns ABC. Time Warner's recent acquisition of Turner Broadcasting, which created and owns CNN, gives it a major international presence in newsgathering and

dissemination. General Electric owns NBC and Westinghouse own CBS. All of these mega-corporations but one are based in the United States; News Corp. is based in Australia (<http://www.idsnet.org>).

With the proliferation of a variety of channels and programmes in television networks experts opine that there is an evolution from mass society to segmented society because the new communication technologies focus more on diversified, specialised information and hence audience become increasingly segmented by ideologies, tastes and lifestyles (Toffler 1980, Ito 1991).

The impact of mass media on the socio-cultural life of people: Television and other medium of mass communication is an integration of technology, culture, commerce and politics. As a cultural product using audio-visual codes it projects the cultural values of their producers and the social reality in which they are produced. It is argued viewing television is not merely an act of consumption but is “rather complex process of decoding cultural meanings” (Wang et al. 2000:4). This increased internationalisation of media has had an impact on the economic, socio-cultural and political spheres of society, which created “imagined societies” (Anderson 1983). By the 1990s several scholars of globalisation had begun to address consumption and the formation of transnational consumption communities, as key issues and foci for media study (Griffin 2002). Post-1990s witnessed onslaught of Transnational television also referred to as “international satellite broadcasting”, “television without border”, “cross border television”, “transborder television”, “global television” or “satellite television”. That led to unique process of communication where though most audiences were located within confines of one country the media became transnational creating transnational audiences. Varied concepts like cultural dependency, cultural imperialism; media imperialism (Schiller 1976, Boyd-Barrett 1998, Lee 1980) communication imperialism, electronic colonialism etc. came into being. All these concepts dealt mainly with the flow of transnational television programs from West to the other parts of the world.

Mc Luhan (1964) visualisation of “global village” also was inspired by the penetration of alien culture into local/regional culture mediated by this process of internationalisation of mass media. His vision of a global village was the first substantial attempt to analyze the profound impact of internationalisation of cultural techniques on various dispersed societies, which are exposed to the same signals and messages. His view inspired the vision of an unknown transformation of cultures and societies into a “global village,” a new cultural space of ‘sameness’ and ‘uniformity’. In recent decades, technological developments have triggered a new complexity and diversity of globalisation, not only of a ‘global culture’, which is still today the central topic of the sociological globalisation debate (Tomlinson 1999), but also of political communication.

Notions of a global ‘public’ sphere - a new dimension of the globalisation process have gained a new awareness since September, 11, 2002 (Volkmer 2003). In the public spheres there also arose private and individual spheres. The Internet, following Manuel Castells’ (1996) argument, has increased the dynamics and complexity of the political globalisation process and has created a new global “network society” or what he calls “Networked Individualism” (Castells 2001). To him although media have become indeed globally interconnected, and programmes and messages circulate in the global network, we are not living in a global village, but in customised cottages globally produced and locally distributed (Ibid). Appadurai also argued that the central problem of globalisation is the “dialectic tension” between cultural homogeneity and heterogeneity a dilemma perpetuated mainly by media. And today’s ‘dialectic tension’ invariably affects life-worlds.

There is also a growing belief that the spread of culture through mass media is unbalanced and thus has led to the term cultural imperialism being applied in society. Tomlinson (quoted by Poux 2004) defines cultural imperialism as the use of political and economic power to exalt and spread the values and habits of a foreign culture at the expense of a native culture. Cultural imperialism theory suggests that one culture (usually the developed countries) exports cultural products (electronic/mass media productions) to another society (usually developing countries) with the goal of a) eliminating native cultural representations and b) replacing them with “alien” representations which in turn are supposed to c) transform the culture so that it loses its autonomy and becomes ‘assimilated’ into the global capitalist world-system. In many ways, it arises out of the critique of media and ideology from people like Herbert Marcuse. For Marcuse and others, the media are used as an instrument to promote the ideology of the ruling classes, and to perpetuate the “false consciousness” of the masses. While they argue electronic media are a threat to indigenous peoples by way of making them to give up their traditional customs, rituals, and practices in favor of the new technology, undermining the strong “oral” character of indigenous societies. Some scholars (Mander 1991) argue that television, radio, and other electronic media are allowing indigenous people to reassert themselves on the global stage and have their voices heard.

Reflection and Action 26.2

Discuss the role of mass media in accelerating the pace of globalisation process.

26.4 Internet as a Mass Media

For much of the last one hundred and fifty years the most striking features of the development of the communication technologies have been the capacity to convey information to an ever-expanding range of audiences with a speed that now makes communication instantaneous. The speed of both broadcasting and interactive communication technologies has helped to compress dramatically all kinds of relationships across both time and space. The media in all its forms became a central influence in the creation of individual, communal and national identities in the postindustrial societies. The emancipatory potential of new information and communication technologies has been further strengthened by the emergence of the Internet as a decentralised, interactive, comparatively more democratic network that created virtual communities and multiple realities.

From modest beginnings as a showcase for the technology and its commercial possibilities for image advertising, the Internet has had a role in expanding the media environment. The Internet fundamentally depends on telecommunications capacity. It is widely predicted to produce “digital convergence, in which computing, telecommunications, and broadcasting all merge into a single stream of discrete bits carried on the same ubiquitous network. In this transformation of mediated communication into a more vernacular, more interactive, more nearly “natural” channel, the Internet stands out for expanding participation in whatever it touches.

Some scholars have argued that the Internet has become a mass medium used mostly by relatively passive consumers, and as such major content providers will dominate it (Margolis R). There is another view, which argue that Internet is not a mass media. According to them since Internet is giant network that interconnects innumerable smaller groups of linked computer networks and considering the three functions of Internet namely i) electronic mail or e-mail (transmission of messages to addressee or multiple addressee), ii) bulletin board (like ordinary bulletin board) and iii) World Wide Web (documents stored in Internet carrying varied information), it is evident that it is available only to the owner of a computer which is connected to network of computers and

hence it cannot be considered as a mass media. They view Internet for transmitting messages to the owner of the computer and it does not transmit message or information to the general public as mass media does.

There had been attempts to compare Internet and other mass media in terms of audience. Baran and Davis characterise mass communication as a process involving i) an organised sender ii) engaged in the distribution of messages iii) directed towards a large audience. They argue broadcasting fits into this model. Internet, which is considered as an interactive pipeline that excludes the possibility of broadcasting, it may not have audience in the traditional notion. Unlike traditional broadcasting Internet communities does indeed include the possibility of interactivity and niche communities. In that sense the so-called audience of Internet is limited and specified.

Morris and Ogan define the Internet as a mass medium because it addresses a mass audience mediated through technology (Morris and Ogan 1996). They divide producers and audiences on the Internet into four groups:

- One-to-one asynchronous communication (e-mail);
- Many-to-many asynchronous communication (Usenet and news groups);
- One-to-one, one-to-few, and one-to-many synchronous communication (topic groups, construction of an object, role-playing games, chat rooms);
- Asynchronous communication (searches, many-to-one, one-to-one, one to-many, source-receiver relations) (Morris and Ogan 1996)

Thus, according to them some Internet communication qualifies, as mass communication while some does not it is too slippery to define the audience of this medium.

As the World Wide Web (WWW) makes pre-packaged content the norm, the Internet increasingly resembles a traditional mass medium (Roscoe). Timothy Roscoe argues that the main focus of the World Wide Web is not the production of content (and, hence, the fulfillment of the Internet's democratic potential), but rather the presentation of already produced material: "the dominant activity in relation to the Web is not producing one's own content but surfing for content" (Ibid). He concludes that if the emphasis is on viewing material, the Internet will become a medium similar to television.

Some scholars, when discussing new media of communication, longer even refer to audiences. They speak of users or consumers (Pavlik and Dennis 1998). The logic of the marketing model lies in the changing revenue base for media industries. Advertising-supported media revenues have been dropping since the early 1990s while user-supported media such as cable, satellite, online services, and pay-per-view have been steadily growing (Ibid). In the Internet-based media landscape, the audience is a revenue stream and a source of consumer information and in that sense Internet is a mass medium.

The Internet is the first medium that allows access to unedited material or information about events to be delivered to an audience with neither the time constraints of broadcast media nor the space limitations of the traditional press. This is often cited as one of the characteristics that set the Internet apart from other media. This feeds the idea of the Internet audience as a participatory, democratic public. For example, it is often claimed that the Internet can foster democratic participation by providing voters with uninterrupted information about candidates and issues (Selnow).

26.5 ICTs — The Convergence of Information and Communication Technologies

Convergence in communication technologies means that different kinds of communication technologies are coming closer to each other. During the past few decades of rapid technological advancements the borders between

telecommunications, the Internet and mass media are receding. The convergence of communication technologies means one terminal device, for example a mobile telephone or a digital television can be used for various different services.

In order to survive in the digital era most of the mass media sources find ways to get involved with the new technology, Internet. Due to the high demand for the new media called Internet, other sources of media such as newspapers and other TV channels started taking advantage of this source and began to make their homepages on Internet sites. The difference between the Internet and other media sources is that Internet provides Information technology, such as digital recording system, voices, images and broadcasting media etc. all in one medium.

The peculiarity of the emerging information society also is that both information and communication technologies such as telephone, computer, cable television and other media technologies are all merging together to form one entity working for the effective communication of information compressing time and space to almost nil. Digitization, convergence of technologies, and networking (all the specialities of post modern technologies) lead to a transformation in the nature and expectations of mass media (Cunningham and Turner 2002). These technological advancements made mass media more interactive. For example SMS voting became popular in the present times and increased audience interactivity in the case of both print (such as newspaper) and broadcasting media (such as television and radio). The convergence of media technologies and the digital forms of access and delivery offer even more ways for the audiences to engage with the media. The convergence of wireless form of communication allows the audience to a higher interactive platform. For example an IGNOU student sitting at the study center can engage in a discussion with the subject expert at the University center also by viewing him on the TV screen. Another example is how some official web sites invite audience to vote and decide what is being broadcasted or a viewer can ask a question to the anchor of a programme while it is being broadcasted either in TV or radio.

It is important to state that the convergence seems to be a condition of all contemporary media and the media technologies; all contemporary media can be associated with other media forms and the boundary between them are getting less clear as new technology developments enters the market. New technologies that allow convergence between televisions and computers have been developed. Experts even predict a total convergence of television and Internet where Internet is available through TV sets (Deery 2003).

26.6 ICTs Boosted Service Economy

One of the striking aspect of the convergence of communication and information technologies and the resulting technological revolution is the emergence of the use of this technologies for application in different areas of economic activities with significant implications. The claimed benefits of these new information and communication technologies are i) it improves the quality of life by eliminating the repetitive and dangerous work, ii) it increased efficiency and productivity, through better decision-making and cost effective procedures (Abrol and Jain 1990). There has been a considerable growth in service economy compared to other economic activities such as agriculture and industry in the past few decades of rapid technological development. This was mainly because the activities related to service economy become less expensive and more convenient to the consumers with the help of new information and communication technologies. Although service sector was the most important sector to feel the impact of the new information and communication technologies, surveys of international experience clearly shows that the impact of ICTs differs from country to country and sector to sector and the impact

is determined to large extent by the way the country uses it. It is also evident that the introduction of ICTs demands a fundamental change in the work content. Work that previously required combining perceptions and the use of senses with cognitive processing is now largely dependent on cognitive processing with automation taking over the other elements of the work process (Ibid).

Now let us examine why the emergence of the ICTs aided the growth of service economy. We have already seen in unit 22 what service economy is and its different categories. Here too we will see briefly the features of service economy.

According to Distributive Trade Statistics in India, Service Sector covers a wide range of economic activities. It includes services related to wholesale and retail sale such as hotels and restaurants, real estate, machinery renting and leasing, data processing, advertising, motion pictures, broadcasting, photography repairs and some personal services. Besides the sectors of trade, hotel and restaurant, transport, storage, communication, real estate & ownership of dwellings, banking and public administration, it also covers the sectors of business services and 'other services'. Business services include business accounting, software development and data processing, business and management consultancy, advertisement and other business services. The sector 'other services' comprises education, research & scientific services, medical and health services including veterinary services, sanitary services, religious and other community services, recreation and entertainment services and personal services like domestic, laundry, dyeing and dry cleaning and barbers and beauty shops. If we take it on the basis of performance of the service economy we can see that the rapid employment growth in services sector of several OECD countries over the past decade results from the strong performance of certain market services, notably telecommunications, transport, wholesale and retail trade, finance, insurance and business services. Over the past decade these services accounted for around 60% of all employment created in the OECD area. Moreover they are characterised by growing use of productivity-enhancing technologies such as ICTs (OECD 2005). Among the services, while the share of telecommunications and business services is 60% the remaining 40% are from community, social and personal services including health and education (Ibid). In India as per the data released by Central Statistical Organisation, in the first half of year 2005-2006 there is a spurt in the service sector. Among services, the highest growth was seen in trade, hotels, transport and communication 12%, whereas financing, insurance, real estate and business services grew by 9.9% (HT, 1st Dec. 2005).

The technological innovations, particularly in the area of ICTs, that have underpinned the birth of the information society were sparked in OECD countries. An analysis of economic development of the OECD countries shows among other factors ICTs plays an important role in the transformation of service sector. It is seen that ICTs can help services firms to introduce new business models, develop new applications, improve and re-invent business processes, enhance customer services and raise efficiency throughout the value chain. It also shows much of the ICTs use is in service sector. With ICTs revolution people can have their bank account balance sent to them by text message, get pensions and benefits paid straight into their bank accounts, and can pay their taxes online. Such ICTs innovations have been embraced widely by organisations in all service sectors as a way of transforming the way they work. There are four main reasons why ICTs can add value to such organisations. It a) changes transactions b) changes interactions c) enables sharing of information across boundaries d) overcomes spatial constraints. All these four factors if applied give value added advancements to all economic sectors especially to the service sector. ICTs is also seen as critical to improving the efficiency of transactional services, the back office and the 'productive time' of staff. It is seen as vital to offering 'choice' of delivery channel - face-

to-face, phone or online – and as enabling transformation of long-established working practices, for example by giving social service workers remote access to electronic information, thus enabling them to stay ‘out and about’ and see more people for longer. ICTs add value by allowing users to operate within faster, larger and more interactive networks. These lower transaction costs and speed up innovation because people and markets are better connected, whether in sharing knowledge or trading goods. Firms use ICTs to improve efficiency and reduce costs.

Reflection and Action 26.3

Examine the reasons why there is a higher growth in service sector in ICT age?

In a case study conducted by Australian Government’s Department of Communication, Information Technology and Arts found that it is advantageous to adopt information and communication technologies by Non-profit organizations and communities in enhancing operational efficiency and capability, delivering services and support; and building communities, networks and connections.

- ICTs helped enhancing operational efficiency and capability in terms of
- Improvement in work processes in administrative and financial operations. This results in reduced processing time, less waste and reduced costs or reallocation of resources.
- Improved business information management, resulting in increased capacity, continual improvement of service delivery and decision making.
- Improvement in the organisational culture surrounding the use of ICTs and there is better use of information. This helps empower staff to be innovative.
- A planned or architected approach to ICTs implementation and management, such as centralisation of ICTs operations or using open or interoperable systems, facilitates:
- greater alignment of ICTs with overall strategic and organisational objectives; more robust, portable and flexible ICTs applications; and improved connections and engagement with external agencies.
- Collaboration, directly or through an intermediary, enables greater sharing of ICTs resources, training and knowledge and cost sharing.

In delivering services and support ICTs helped in terms of

- Creating new opportunities such as improved relationships with members or clients. It also enhances an organisation’s capacity for online engagement and access to a wider audience and interagency coordination, collaboration and networking.
- Providing wider community benefits, for example volunteers skills transfer, and enhances the role of nonprofit organisations as trusted intermediaries in the community.
- Overcoming social and geographic isolation and exclusion so there is greater access to and availability of information, services and support for clients and members.
- Better access to ICTs facilities, training and support can empower clients.
- Improved outcomes for members such as the ability to keep in touch and share knowledge or skills with other members through online community networking.

**Development, Displacement
and Social Movements**

- Voluntary member-driven organisations can provide ICTs training that is appropriate and relevant to their client group.
- With support, community organisations that previously felt overwhelmed by ICTs issues are developing confidence that they can move forward without losing control.
- Ability of small organisations to collaborate and take advantage of economies of scale by, for example, jointly develop new services or applications, such as online donations.
- The capacity for ICTs can not only provide direct benefits to organisations but also enable a multiplier effect, extending benefits to wider networks and communities.

In building communities, networks and connections (such as bonding bridging and linking social capital) ICTs helped in terms of

- ICTs can be effectively built into equity strategies targeted at the needs and interests of particular groups.
- Mixed models which combine face-to-face and online interaction can act as a transition strategy in communities with low levels of ICT skills and use.
- ICTs can be used as a tool to connect individuals to a range of community types, both wired and virtual, primarily designed to increase bonding social capital providing a sense of belonging, inclusion and community.
- ICTs can be used to create bridging social capital between geographically or socially diverse individuals forming a basis for collaborative work and understanding

At the same time they also encountered certain common barriers and challenges. The most common barriers and challenges encountered are:

- costs and lack of resources;
- level of ICTs skills, knowledge and awareness by staff, management and board members;
- ensuring sustainability;
- lack of experience with ICTs (or ICTs readiness) within particular sectors and smaller organisations; and
- the need for specific skills such as negotiating a contract, system implementation and change management present a significant challenge for many organisations. (<http://www.dcita.gov.au/ie/community>)

Although these findings are related to the social sector services it is applicable to other service sectors too.

26.7 ICTs and Employment Opportunities

ICTs can contribute to employment and income generation and poverty reduction. It enables people and enterprises to capture economic opportunities by increasing process efficiency, promoting participation in expanded economic networks, and creating opportunities for employment.

ICTs enhance the economic productivity across region and geographic location. For instance ICTs can enhance rural productivity. ICTs enables solution sharing between local people and communities, providing access to practical

information on small business accounting, weather trends and farming best practices, for example. Timely access to market information via communications networks also helps farmers make appropriate decisions about what crops to plant and where to sell their produce and buy inputs. In Chile, for example, an Internet network among farmer organisations has dramatically increased farmers' incomes by providing information about crop status, weather, global market prices and training. ICTs also provide unprecedented access to rural finance service. The financial and information service network provided by Pride Africa offers micro-finance opportunities for local people and small enterprises that previously had no access to flexible financing due to rigid banking regulations and the information monopolies of government and large businesses (<http://www.opt-init.org>).

ICTs enable improved business process efficiency and productivity. Businesses can reduce operational costs by decreasing material, procurement and transaction costs, resulting in lower prices for intermediate and finished goods, and they can also use more and better information to improve the value of their output. ICTs, for example, provides an e-trading platform to utilities companies, which may help both sellers and buyers by simplifying their procurement processes and thereby reduce costs. In another example, a number of companies in developing countries are using the Global Technology Network, provided by the US Agency for International Development (USAID), to find comparable small and medium-sized US companies to share business solutions that satisfy their existing technological needs (Ibid).

ICTs facilitate global connectivity, resulting in new ways of creating and delivering products and services on a global scale. New business models and market configurations enabled by ICTs, including business process outsourcing, value chain integration and disintermediation, provide developing countries with access to new markets and new sources of competitive advantage from which to drive income growth. Through PEOPLE's global artisans trading exchange, for example, local craftspeople in developing countries are increasing their incomes not only through access to new markets, but also because the wholesaling intermediaries for their produce have effectively been removed. Local craftspeople can now receive up to 95 percent of the selling price for their produce where previously they received only 10 percent (Ibid).

ICTs have lead to massive job generation in some of the OECD countries. For instance in Japan, more than 2 million jobs were created by IT between 1990 and 1999 (Bamber et al 2004). ICT can contribute to better employment opportunities in developing countries also both through improved labor market facilitation and direct employment. Using electronic job marketplaces, employers and employees can match labor skills and availability to satisfy their demands. For example, TARAhaat, a portal designed to serve villages in rural India, provides job opportunity information on local web sites in local languages. In addition, the establishment of local telecenters in countries such as Bangladesh, India and Senegal has created direct employment for thousands of local women and men.

Reflection and Action 26.4

What are the new employment opportunities created by the proliferation of ICTs?

ICT favoured job opportunities for Women: Information and communication technologies have created new types of work that favour women because the technology enables work to be brought to homes and allows for better accommodation of work and family schedules. Women have also been able to capture a large proportion of jobs in ICTs-enabled services because of the worldwide shortage of skills necessary for work in this sector.

Development, Displacement and Social Movements

Thus far, the most promising potential for women is in the creation of new jobs at call centres and in work involving data processing (Swasti Mitter 2001). The ILO reports that “telecentres and fax booths have created a quarter of a million jobs in India in the last four years alone, a huge proportion of which have gone to women” (www.ilo.org).

Internationally outsourced jobs, such as medical transcription work or software services, do make a considerable difference to the lives and career paths of women in developing countries. In software, women enjoy preferences on a scale that they never experienced in any other field of engineering and science. Women in India occupy 27 per cent of professional jobs in the software industry, which is worth 4 billion US dollars annually. Women’s share in the employment total in that industry is expected to rise to 30 per cent in 2001.

Although impressive, the prospects for women, as recent research and projections indicate, lie more in Information Technology Enabled Services (ITES) than in software services. The worldwide demand for ITES is expected to grow at a dramatic rate in the coming decade, to USD 671 billion by the year 2005 (<http://www.usaid.gov/wid/pubs>). With revenues of USD 870 million from ITES (also called Remote Services) in 2000-2001 and an annual growth rate of 66%, India currently has the potential to target a large part of the market. In 1999, NASSCOM projected that by 2005 employment figures in ITES in India could reach 1.1million. Although there are no gender-disaggregated statistics according to the Confederation of Indian Industries (CII), at least 40% of these newly created jobs are taken by women (<http://www.indiainfaline.com>).

The ILO Report cites several examples where ICTs have enabled women to tap global markets for their products and raised incomes. New technologies and networking are new means by which women are empowered to improve their economic and social status. Examples of this include:

The Grameen Bank Village Phone project, which provides mobile cell phones to its mostly female members in Bangladesh, demonstrates not only the employment-generating impact of the women who collect fees for the usage of their mobile phones, but other positive spill-over effects as well. Mobile phones and access to the Internet have given rural Bangladeshi women access to learning, created new opportunities for autonomy and improved their position in community and public life.

SEWA, India’s self-employed women’s organization, which has been organizing women in the informal sector since 1972, and has a membership of over 215,000, was one of the first organizations in India to realize the potential of harnessing ICTs for the productive growth of the informal sector. By organizing computer awareness programmes and imparting basic computer skills to its team leaders and association members, SEWA has enabled many of its members to launch their own Web-sites and to sell their products in the global virtual market place.

These examples illustrate how technology can improve the lives of poor women by opening up opportunities they were previously excluded from. Electronic networking between women has led to new social and economic phenomena, such as e-inclusion, e-campaigns, e-commerce and e-consultation. The empowerment of women via technology in this way enables them to challenge discrimination and overcome gender barriers (Source: <http://www.opt-init.org>).

However, even in ICT age with a higher job opportunity for women, studies show that there exist gender disparity to a great extent in employment in terms of status sector and wage/earnings (ILO 2005). ILO studies show that women are also likely to earn less than men for the same type of work. Most of the new job opportunities are found in the informal sector of the economy where there is little social security and high degree of volatility.

26.8 Challenges for ICTs for Better Application in Service Economy

It is very clear that the ongoing development of ICTs in all its forms and applications is driving radical change in our lives, with the constant creation of new products and services, new ways of conducting business, new markets and investment opportunities, new social and cultural expressions and new channels for citizens and government to interact. To maximise the potential benefits of ICT to the economic development, especially the service economy certain things need to be taken into account.

Let us see what are the essentials needed for the success of the service economy. OECD case studies of some international services firms show that a number of factors are common to their success. These factors are i) open markets ii) innovation and ICTs (innovation either in terms of processes or products and introducing ICTs and developing applications) and iii) work organization and human resources (organisation of work, motivation and skills of workers, and the company culture). ICTs are particularly important for service sector innovation, as this enables the firms in a variety of services industries to engage in process innovations throughout the value chain, develop new applications, and raise productivity. While service sector has been widely transformed by ICTs, there are certain challenges that have to be tackled with successfully.

The development of efficient, low-cost and broadly diffused networks remain a high priority for the wide spread ICTs application in service sector. This will require continued efforts to improve competitive conditions for telecommunications services. Broadband networks are particularly important, as they will offer new opportunities for many services, including health, education and government. It had been seen that privacy and security concerns remain among the key barriers to ICTs use. Hence it is required to develop regulatory frameworks and technological solutions that can enable electronic business and digital delivery of services like health, financial services, tourism, distribution or logistics etc. that foster the culture of security.

ICTs are only a tool for development and these tools can be used for accelerating development. It is clear that for maximum gains to emerge, the development of essential ICTs skills, including software development is necessary. Without such skills, the technologies can neither be maintained nor adapted to local usages, from which greater economic advantages are obtained. Literacy and education are vital for reaping greatest advantages for the emerging digital/ ICT era. The promotion of education and literacy in general, and digital literacy in particular, is a challenge facing all countries. Educational differences underlie the different rates of ICTs penetration in different societies.

The adoption of ICTs in enterprises is creating two types of skill needs. The first relates to a variety of foundation skills, such as the ability to learn, to communicate, and to analyse and solve problems, all of which are essential to work environments that rely on rapid innovation, and the interpersonal exchange and creation of knowledge. Also required are the technical skills that related to ICTs itself, the need for which extends well beyond the ICTs sector to the economy as a whole.

26.9 Conclusion

The present unit begins with a brief introduction to the evolution of mass media. Print was the main medium of mass communication till the middle of 20th century. With the invention of broadcasting and wireless transmission other medium of mass communication posed challenge to this. With the invention of new technologies and introduction of television, things started changing dramatically in the field of mass communication. With globalisation getting accelerated pace and more and more privatisation and liberalisation of

mass media of communication, the transformation was tremendous. The convergence of information and mass media communication technologies and the networked communication technology of Internet drastically compressed the twin concept of time and space in terms of communication of information across societies. This convergence of ICTs reflected in the economic, social, cultural etc. spheres of human life. All these aspects have been elaborated in this unit. The unit also briefs on the ways in which ICTs boosts service economy and also challenges in applying the advanced technologies for the further expansion of service economy.

26.10 Further Reading

Feather, John 1998. *The Information Society: A Study of Continuity and change*. Library Association Publishing: London

Georgios, I. et al 2004. *Social and Economic Transformation in Digital Era*. Idea Group: U.K.

Crede, Andreas and Robin, Monsell 1998. *Knowledge Societies in a Nutshell: Information Technology for Sustainable Development*. IDRC: Canada



Unit 27

Dam and Displacement

Critique of Knowledge
Society

Contents

- 27.1 Introduction
- 27.2 Dams and Development: Background
- 27.3 Arguments Against Large Dams
- 27.4 Arguments For Large Dams
- 27.5 Dams and Displacement: Persons and Values
- 27.6 Experiments with Alternatives to Large Dams
- 27.7 Conclusion
- 27.8 Further Reading

Learning Objectives

This unit will enable you to learn and critically evaluate more on:

- The history of water management and the role of State and community in water management in general and in Indian context as well;
- Issues of dam and displacement including human, ecological, economic, political and cultural aspects;
- Indian experience with dams;
- Arguments for and against the construction of large dams; and
- Alternatives to the construction of large dams as a form of water management.

27.1 Introduction

One of the most discussed and debated issues in the last century has been the human and ecological cost of constructing large dams in the country. Large dams have singularly displaced millions of people from their habitats and submerged large tracts of forests. The question that has been regularly raised in the context of dams is whether the benefits of dams outdo the losses. Is the construction of dams worth millions of people losing their homes? Can we afford to lose large tracts of rich natural vegetation, which is not only a sanctuary for a variety of life forms, but also the lifeline of the people dependent on it? Although the debate has concentrated around certain movements that have campaigned against the construction of large dams such as the Narmada Movement in India, it has caught the attention of not only the Indian people but also the international environmental circles. These movements have brought to light the politics of development, that is, the reasons as to why such development is undertaken despite resistance and its obvious catastrophic consequences. They have served as sites for raising larger critical issues of economic growth, social justice and ecological restoration.

This unit will try to address some of these key issues on dam and displacement, enumerating the various interrelated dimensions of the issues of human, ecological, economic, political as well as cultural. The first section of the unit would explore and present a short history of dams and the reasoning that accompanied its popularity in the 19th and the 20th century, both in India and the world. The second section specifically focuses on the Indian experience with dams, and would present the debate in India in favour and against dams. The third section would elaborate upon the term 'displacement', of both persons and values, and thereby develop on some of the larger substantive

issues relating to modern development and progress, and ecological restoration. The last section would present examples of some of the alternatives to large dams as a form of water management. The conclusion would recapitulate the key issues that have emerged in the course of the discussion on dams and displacement.

27.2 Dams and Development: Background

Water, as the saying goes, is life itself. Human civilisation has grown on the banks of rivers. Dams are as old as human civilisation and have been considered as one of the oldest techniques of storing and channelling water. Patrick McCully (1998) presents a succinct history of dams. According to him, the earliest dam in the world was built in Jawa town, presently in Jordan, around 3000 BC. It was a system of ten reservoirs made of rock and earth that collected the water from a fall, which was channelled through a canal. The largest dam was more than 4 metres high. Egypt's 'Dam of the Pagan' across a seasonal stream near Cairo was known to be 14 metres high and 113 metres long, but was washed away after a decade of its construction. Spain is home to a surviving Roman dam, built in the late first millennium B.C. A number of dams were built during this period all over the world, in the Middle East, China, and Central America and around the Mediterranean. The King of Sri Lanka, Parakrama Babu, also known for his despotic rule, built a 14 kilometres long dam. No other dam in the region could equal its volume. The king was supposed to have restored and built more than 4000 dams. McCully (1998) quotes the famous anthropologist, Edward Leach, on the large dams in Sri Lanka, stating that these dams 'are monuments and not utilitarian structures' (Ibid: 15). The Sri Lankan villagers depended more on artificial ponds called 'tanks' than on dams for irrigation.

In fact, this is true for most of south Asia. Irrigation in India was largely dependent on traditional hydraulic infrastructure built and maintained locally, which included wells, ditches and tanks. Given the local caste-based social set up, it was difficult for the state to intervene in local customs. Nonetheless, the state did provide tax subsidies to promote water conservation. For example, in Gujarat, local officials had the authority to revise taxes and grant tax concessions. There were instances when tax on crops grown through irrigation from a recently constructed well was reduced till the cost of constructing the well was recovered (Hardiman 1998: 1537). Both the Mughals and the Marathas assessed tax on the basis of the ecological conditions of the region and climatic fluctuations. Local traditional elites were obliged by custom to regularly invest in public resources such as water. They were expected to build tanks, repair wells, etc. from time to time. China unlike India relied on an integrated hydraulic system for irrigation. Village level farming in north China depended on the local level drainage, which in turn was connected to the regional networks of dikes, levees and master canals. This system was closely interlinked to the massive central public works project. Flood control, canal management and local irrigation formed an integrated whole and the collapse of one could lead to the collapse of the entire system. Local irrigation was therefore state sponsored, with many of the wells and ditches built under the supervision of state officials.

Clearly, the role of the state, however minimal (as in the case of India), was crucial in establishing and maintaining a hydraulic system. Water was an important resource and its management was not left to chance and a good monsoon alone. Colonialism however played havoc with the local system of water management. Colonialism brought with it a stringent system of revenue assessment, which was unsympathetic to local social and political dynamics and to climatic fluctuations. Likewise, the priorities of the colonial government were markedly different from the previous rulers. In India, expenditure on public works took a backseat with the British trying to consolidate its position after the bloody 1857 mutiny. The post mutiny period was characterised by

greater investiture in military installations and the railways. Of the expenditure that was set aside for irrigation, 90% was spent on major irrigation projects based in Punjab. The British were keen on encouraging commercial crops such as cotton, opium, sugar cane and wheat. This interest in commercial agriculture was at the expense of subsistence-based agriculture and the small farmers managed irrigation systems of wells, tanks, small channels and dams.

Unlike the Mughals, the British did not subsidise construction of wells and tanks. Moreover heavy land tax did not leave any surplus to invest in irrigation systems. The new revenue system of the British granted water rights with land titles, thereby legally legitimising private appropriation of water resources. Those without water resources in their lands faced regular water shortage, especially during poor monsoons. Privatisation of water and land cut into the local system of maintaining irrigation systems. The situation in China was worse with the state withdrawing its role in the maintenance of the centralised hydraulic system. The area under irrigation decreased drastically, to the extent that only 6.8% of cultivated acreage in north China was irrigated in 1932 (The Corner House 2002). Between 1876-79, Asia (India, China, Java, Philippines and Korea), South Africa, Brazil, Algeria and Morocco reported recurrent drought and famine conditions. Never in the history of the world had famine and drought been registered simultaneously in so many nations. Millions died due to malnutrition and hunger. Evidently, "Climate risk...is not given by nature but...by 'negotiated settlement' since each society has institutional, social and technical means for coping with risk...Famines [thus] are social crises that represent the failures of particular economic and political systems" (Watt of The Corner House 2002: 19; emphasis added). The occurrence of famines across Asia, Africa and South America at the same time is not only proof of the effects of colonialism in that it created chronic conditions of poverty, hunger and ill-health, but also announced the break down of local institution systems that usually rescued people from situations of crises.

Dams and in particular large dams gained in popularity in the 19th and the 20th century. Dams perform two important functions that make them supposedly 'indispensable' in the modern world. One, they store river or surface water to overcome the inconsistencies in the demand for water and its availability. Two, the differential height between the water collected in the dam in the upstream and the river downstream create hydropower and generate electricity. The dam thus not only provides electricity to industrial units and households but also supplies water for agriculture, industries and mass consumption. Rivers were the untapped resource for harnessing energy. Around 200 dams were built in Britain in the 19th century to provide water to its expanding cities. The dams built around the 1900s were earthen embankments and were built on a trial and error basis. Many of the dams built during this time in the world collapsed. The collapse of Johnstown Pennsylvania dam in 1889, St. Francis Dam of Los Angeles in the 1900s, and the water supply dam of Yorkshire in 1864 killed thousands of people and destroyed entire townships.

Large dams unlike local irrigation systems are huge structures, and are an outcome of centralised planning. That is why almost all large dams are state ventures, involving large investments and resources, both human and material. They are an integral part of the larger agenda to harness water resources for economic growth and development. The fascination with dams in the United States can be traced to the quest to irrigate the semi-arid regions in the west. In 1902, the famous National Reclamation or 'Newlands' Act was passed to reclaim land in the Western United States. Irrigation projects were seen as a way to turn arid lands into fertile plains, which would attract the landless from the east to migrate and settle in the west. The west however saw the rise of large landlords who benefited from the patronage of the state subsidies. The biggest disaster known in the history of the US is the collapse of the Hoover dam in 1931, though the latter did not dissuade the faith in large dams in solving the problem of water and power.

The former United Soviet Union (USSR) was no exception in this regard. Motivated by the conviction to build a strong socialist nation, dams were viewed as important structures of centralised resource mobilisation. As in the United States, it was a grand state project staffed by numerous engineers, officials, junior staff and workers. Damming of rivers claimed vast stretches of fertile land, marine life as well as the occupation of hundreds of fishermen (McCully 1996). Following the revolution, dam building was an integral part of Mao Zedong's project of 'Great Leap Forward'. Large dams to hold floodwater put the traditional system of containing floodwater through levees and canals redundant. Hydrologists were sceptical of the enthusiasm shown by the economic planners and their cynicism was not ill judged. Thousands of dams burst and created conditions of chaos and led to one of the worst known famines in the world. China has embarked on a new venture of constructing the Three Gorges Dam in 1996. Seismologists have drawn attention to the disastrous seismic consequences of building the dam in the region.

India too has had its share of involvement with dams. Jawaharlal Nehru's words are quoted ever too often in praise of the Bhakra Nangal Dam, claiming big dams to be 'modern day temples'. But Nehru too overcame his fascination for big dams subsequently, as is evident in the following statement, "I have been beginning to think that we are suffering from what we call we may call disease of gigantisms" (Ibid: 23). In newly independent India, big dams, power centres, factories and industrial units came to symbolise the magnanimous presence of the state and its will to build a prosperous and a modern India. Dams were the official solution to generating water resources for industries, irrigation and harnessing energy. The focus was on increasing agricultural production and generating hydropower to fuel industrial production. Interestingly, despite the crores of rupees spent on building large dams, most of India survives by exploiting ground water. Surface water or rivers cater to less than 10% of the water requirements in the country. The next section analyses the impact of dams on development in India, whether large dams facilitate development and, if they do, at what cost (human and ecological), and finally, whether this development was uniform or uneven across classes, castes and regions.

Reflection and Action 27.1

Write a sociological note on the background of dams and their impacts on irrigation and agriculture.

27.3 Arguments Against Large Dams

There are various debates on the impact of dams on economy, society, ecology and environment. These debates have brought forth arguments both in favour and against the construction of large dams. Let us examine some of these arguments.

a) Resistance and Displacement

Large dams have evoked more resistance than approval. The construction of Hirakud was marked by thirty thousand people, comprising of local politicians, bureaucrats and the people who were going to get evicted from the dam site taking to the street, in 1946. Hirakud was in this sense a forerunner of protests against dams in other parts of the country. Even while these protests focused on specific projects, the arguments raised for and especially against dams have been common. In the newly created tribal state of Jharkhand, there have been thirteen large irrigation projects, hundred and eight medium irrigation projects and six thousand eight hundred and twenty small water projects till date. Most of these projects have failed. Some are incomplete and have been

abandoned. Most of these projects have been notorious for high levels of corruption and red tape. Large dam projects, notably the Subarnarekha Project and the Koel-Karo Project, faced tremendous resistance from the local tribal population.

The Koel-Karo Project was commissioned despite the fact that it would have destroyed 200 tribal villages and submerged 45,000 hectares of arable land. The Subarnarekha Project has been the site of police atrocities and the high level of illegal transactions of funds within the project has been common knowledge. JOHAR, a Human Rights Organisation in Jharkhand, has some very appalling findings on the state initiated nine minor irrigation projects within 1960-90 in West Singhbhum district of Jharkhand. The entire capital outlay of these projects was 14 crores. The government had claimed that 47,764 acres of land would gain through the irrigation facility of these projects on their completion. According to JOHAR's research, the nine projects 'do not exist' and there is no accounting for the public money spent on these projects. Till 1997, 22.5 lakh acres of land had been procured from the local tribal population in the name of minor and major irrigation projects. Lakhs have been displaced from their land and have turned towards wage labour in mines and factories in the surrounding areas for employment.

The campaign that drew attention of the world to the politics of large dam construction and its harmful impact on the environment is the Narmada *Bachao Andolan* or the movement to save the river Narmada. Narmada runs through the three States of India, i.e., Madhya Pradesh, Maharashtra and Gujarat. Worshipped as a holy river, Narmada is the lifeline of thousands of villages and her importance is illustrated in the folk traditions of the region. In 1985, the World Bank approved \$450 million Sardar Sarover Multi-Purpose Dam Project on the Narmada. According to World Bank estimates, the project was to generate 1300 million cubic-metres per year of water for civic and industrial purposes, an installed capacity of 1450 MW of electricity and provide irrigation to 1.9 million hectares of land. The project was to submerge 13,744 hectares of forestland, 11,318 hectares of fertile agricultural land, and displace over 100,000 people, mostly persons and families belonging to the category of scheduled tribes and the rural poor. The sheer magnitude and size of the project raised concern among concerned citizens and specialists. The planners according to the Narmada *Bachao* Movement had not critically and realistically assessed the ecological, human and financial consequences of undertaking this project. Let us explore the three main areas identified by the movement as arguments against large dams.

b) Ecological Consequences

The most apparent ecological effect of large dams is the permanent destruction of vast expanse of forests, wetlands, and wild life. The dam would submerge vast tracts of rich forest cover. But the lesser-known consequences are equally disturbing. The forests are routes of migration of many animals, the wetland attract various migratory birds, while the river is a channel for migratory fishes. The destruction of the routes of migration of animals, birds and fishes not only affect the ecosystem, but also affect the lives of the local population. Fish forms an integral part of the staple diet of local populations; embankment blocks their movement downstream as well as intercept the cycle of breeding among them. In places like Jharkhand and Chattisgarh, the cutting down of forests has forced the wild animals to wander into villages in search of food, often attacking and killing the locals. Dams convert rivers into reservoirs, which has environmental implications on its entire drainage area - upstream, downstream and the command area of the reservoir. Embankment restricts the river water to flow downstream. The upstream in the process collects the sediment, which increases the water level and can cause floods in the area drowning people and property. The river downstream, denied of its regular quota of water and sediment is, according to McCully (1998), 'hungry' and eats

away the plains along its course. The plains are also denied of the rich alluvial content of the river, which affects the fertility, quality and the productivity of the soil. The river downstream also experiences sudden fluctuations, with water being thrown out periodically from the command area to reduce the pressure of water. Often this may destroy vegetation along its way as well as settlements that take over the land vacated by the river after the construction of the dam. The reservoir by holding large quantity of water encourages high rate of water evaporation. This leads to the increase in the salinity of water, which can have a long-term effect on the quality of water.

c) Human Consequences

One of the most obvious and visible unwarranted outcomes of dam projects is the displacement of people from their habitat. This means that not only are persons living in and around dam sites asked to vacate their homes and settle in other places, but also that they are expected to give up their land, their homes that they have nurtured all their lives and surroundings they have been familiar with so that the dam could be built for the anonymous beneficiaries. It is difficult for the ousted to comprehend the benefits of dams, as to how it can possibly bring prosperity and well-being. Large numbers migrate to the already overcrowded and overburdened towns and cities in search of work and live in dismal urban conditions. Many subsist by working at the dam site. They labour under severe work conditions. The construction site is especially susceptible to infectious diseases such as malaria, tuberculosis, and influenza. Once the work at the dam is over, very often the locals have to be physically forced to leave the site. In the late 1950s, when Mexico's Maztec Indians refused to vacate their homes from the site of the Miguel Aleman Dam, their houses were set on fire and the army was called in to quell the unrest. Similarly, in erstwhile USSR, the displaced population were often forced to take part in bringing down their homes, churches, and orchards and disinter the coffins of their dead relatives (McCully 1998).

Besides the number of people that dam projects displace, it is noteworthy that majority of the persons who are displaced belong to the category of tribes or constitute the rural poor, with marginal or no land. A document brought out by the Ministry of Rural Development of India Government, in 1996, suggests that over one crore sixty lakh persons have been displaced due to mining, dams and canals, industries, sanctuaries and national parks. Of these, about thirty-nine lakh have been rehabilitated. According to Scheduled Tribe and Scheduled Caste Commission report (1990), almost forty percent of the displaced population belongs to the scheduled tribe category. The Sardar Sarovar Dam project in Gujarat, Koel-Karo Dam project, Subernarekha and the Kujumbar Dam project in Jharkhand, Balimela project and the Machkunda Dam in Orissa are some of the better-known instances where tribal rights to land and forests have been disregarded to fulfil the larger interests of the State and the general population.

d) Financial Consequences

Dams have entailed huge financial investments, which to its critics are most uneconomical investments by far. The Sardar Sarovar Dam's total final cost as per official estimates (1987-88) is Rs. 11,154/- crores and this estimate does not include other expenses and recurring costs to be incurred on account of treatment of catchment area, delays caused in completing the project, compensatory afforestation among many others over the eight years within which the project has to be completed. Even this 'modest' estimate was more than the centre and state's Plan expenditure in the entire seventh five-year plan period. As per the Government of India, Department of Environment and Forest note to the Prime Minister, the total environmental loss due to the project was a colossal 40,000 crores (Alvares and Billorey 1988: 46-7). Almost all large dam projects the world over has been financed by the World Bank at a heavy interest rate of 10.75% per annum. The Bank agreed to extend a maximum

loan of Rs. 700 crores. The rest of the finances were being sought from Japan; ONGC agreed to extend a loan of Rs 200 crores at the interest rate of 14.5% per annum. The Gujarat government even issued tax-free bonds to raise the required money and managed to raise about a paltry sum from the public (Amte, Baba 1990). The key question is as to how will the Gujarat Government raise this money and how does it propose to pay up the interests on the loans. What about its other development commitments as well as social welfare responsibilities of providing health care, education and employment?

Reflection and Action 27.2

You must have read a lot on the issues of dams and their impacts in the newspaper and other sources. Based on your reading write a note on the impacts of large dams on the economic, social and ecological aspects of the society?

27.4 Arguments For Large Dams

The exposition so far has presented only the arguments against large dams. There has been however a strong support for large dams in India. There are specialists such as economists, engineers, development planners and agronomists who have defended the construction of large dams. The defenders of large dams have tried to answer the doubts about the efficacy of large dams and have been unconvinced by the hue and cry raised by environmentalists and social activists about the destructive potential of large dams. Large dams have been supported on the grounds that they are the best among the existing options in dealing with the crisis in irrigation, drinking water and power. With nuclear energy being questioned for its safety with regard to radiation and thermal energy for using non-renewable resources, the only viable source of renewable energy is water resources. Hydel power is the cheapest, cleanest and a renewable resource. The lack of appropriate technology in the field of solar energy has left no other option but to tap hydel power. If this option is also opposed, the proponents argue, there is no other viable choice left for meeting the energy requirements of the country.

The 1960s in India was characterised by a critical food shortage and the government singularly focused on increasing food production. That is when a concerted effort was made to introduce methods of increasing production. It is argued that the self-sufficiency achieved by the Indian government in the production of food grain is primarily due to its focus on improving irrigation facilities, increasing the area under cultivation and its output by the use of improved fertilisers and seeds. Without the introduction of modern techniques, which have been criticised by environmentalists for its debilitating and poisonous effect on the soil and on the health of the general population, this feat would not have been possible. Thus the first criticism presented by the defenders of large dams is that the latter is necessitated by the sheer scale and requirement of irrigation and power in the country. The Agricultural Division of World Bank, listed a number of arguments in support of large dams. The arguments summarise the views of a number of development planners and engineers in support of large dams. An excerpt of their defence is presented below. The context was their defence on the Sardar Sarovar Dam.

While small dams have a role and are, indeed, a significant part of the overall development proposals for the Narmada Basin, they do not, and cannot approach the scale of the benefits of the larger dams. First they are not as low cost as is often claimed: a study of small “tanks” (as they are called) in India by an International Research Institution found most of them to be uneconomic (partly because of the amount of the land they inundate relative to the water stored). Second, while a few good small dam remains that could be developed at modest cost, the cost escalates greatly as in the search for

the large numbers of small dams needed for storing significant volumes of water, one is compelled to tackle increasingly less suitable sites. Third, they fail to fill in the very year, the dry year, when they are needed the most. It was only the large dams that performed adequately for Gujarat in the last drought. Fourth, they inundate relatively massive areas of land; in the lower parts of basins this tends to be very fertile agricultural land, in the upper parts forest. Typically small “tanks” of around 40 to 100 ha size inundate almost as much land as they irrigate, around 0.9 of a hectare for every 1.0 hectare (usually irrigating one crop only, whereas large dams irrigate much more than one, apart from also providing power). Sardar Sarovar will inundate only about 1.6% of the area irrigated. Thus even if it were technically possible to find enough small dam sites to store the same amount of water, the land lost to inundation could well be over 1 million hectares as opposed to about 37,000 ha for the Sardar Sarovar Reservoir.

An important issue raised by the defenders of large dams is the over-exploitation of ground water for irrigation purposes. The small dams have according to them proved to be poor substitutes, as people still continue to rely on ground water for their most essential and regular requirements. With regards to the detrimental consequences of large dams, the proponents of large dams admit that large dams do submerge large tracts of forests, but also draw attention to the fact that the loss of forest in the Narmada Basin has been at the rate of about 20,000 ha per annum without the large dam in place or any other mega development project. This is a significant observation not only about the state of forest management in the country as a whole, wherein forest products are being extracted indiscriminately by encroachers and commercial interests, but also the increasing pressure on forests to fulfil subsistence needs of the people. This brings out the levels of corruption, malpractice and inefficiency that exist in India, with or without large dams. Development initiatives thereby get a bad name, as the discrepancy in the implementation process is passed on to the plan itself. Also, they are of the opinion that planting trees in the irrigation area, which can also supply ‘far greater’ supply of wood, can easily make up the loss. The regular supply of water from the large dams can improve general health conditions of the people, while the chances of getting water-borne diseases from the dam site can be controlled through appropriate preventive measures.

A fact that is borne out by both sides is that the costs of large dams, or for that matter any development project, escalate with time. Indian development has been plagued by a delay in completing development projects, which not only increases expenditure, but also intensifies the misery of people affected by the project who are left in an indeterminate state, neither in a state that they had lived with and adjusted to thus far (however miserable), nor settled in the “promised land”, where they were to be provided with a ‘better’ life. As is evident, the debate is inconclusive. However, the debate has managed to arouse public interest in matters of development and increased transparency in the planning process. Hopefully, the debate will push for greater participation and involvement of concerned citizens as well as the affected persons of large development projects in directing the course of economic and social development in the country.

27.5 Dams and Displacement: Persons and Values

The government of India has tried to rescue the situation by its rehabilitation package, although there was no national level policy for resettlement and rehabilitation till 2004. In February 2004 the central government promulgated the National Rehabilitation Policy for the Project Displaced Persons. Even before that certain states such as Karnataka, Maharashtra, Punjab and Madhya Pradesh have evolved state-level policies on resettlement and rehabilitation. Most rehabilitation efforts have been to provide alternative land titles to the evictees or compensate them in cash. As for the monetary compensation, the evictees

are forced to go through the arduous bureaucratic procedures to procure what is rightfully their due. The land in the case of the Sardar Sarovar Project had been assessed according to old land records, which under-price its present value. Often, the land provided by the government has been of poor quality. The evictees are required to produce land deeds, which many don't possess. Compensation through cash has also not been an appropriate form of compensation, as it has been observed that the beneficiaries often spend the money on short-term requirements and are left without money and are homeless in a matter of a few months of rehabilitation.

In cases of rehabilitation through alternative land titles, the problem faced by the government has been of locating land to settle the displaced. Large parts of forest or other areas have been cut down to distribute land to the displaced, as is evident in Nandurbar district of Maharashtra. The rehabilitated population in Nandurbar have still not received formal, registered copies of the land they have been settled on. The forests have been encroached upon by the rehabilitated population, much to the resentment of the local tribes who derive large part of their sustenance from the forests. There is a direct relation between environment destruction and the impoverishment of the evictees. For one, both are victims of dam projects. Secondly and most importantly, forests are the alternative lifelines of the rural poor. Much of the subsistence is derived from forest products. Forests also help them pull through the seasonal lean period, as they make do with fruits, herbs, green leaves and game available in the forests. This fact has not been given serious thought while considering the issue of rehabilitation. Growing tensions between the rehabilitated population and the local tribes has become a cause for concern. 40% of the forest in Nandurbar has been declared as degraded. The policy of 'land-for-land' is based on the premise that there is excess public land available for distribution among the evictees, which is questionable. The land available most often than not is poor quality land or non-cultivable. This premise also reveals the linear perception of livelihood options. As illustrated above, livelihood includes a host of economic activities (as quite often, land holdings are small) and there is no one activity from which livelihood is derived. Compensation of land then is only a partial remuneration of the losses incurred by the evictees. Ideally the replacement of the livelihood lost only can provide any kind of relief to the displaced people. Neither the National Policy nor the State policies/laws have provision for this.

The debate on large dams has focused on displacement and its effect on the ecology and human beings. Large dams however represent a larger purpose or vision of society. They were considered as symbols of a modern, progressive world. They demonstrated the capacity of human intelligence and ingenuity to tap and use natural resources for human advancement. They stood for the ability of modern science and technology to overcome the constraints of nature for the benefit of humankind. The issue, which is equally important and often overlooked, is as to what is the type of society that was and is sought to be 'displaced' by this modern vision of progress and development. Also, who are the people most adversely affected by this displacement? As mentioned earlier, the peoples and communities who are displaced through development programmes live on the margins of society such as tribes, pastoralists and subsistence agriculturists. These groups have inhabited forests and survived in the fringes of the mainstream civilisation for centuries. The benefits of development programmes rarely accrue to them. Although monetary compensation is provided to them (the evaluation of loss is yet again a contentious issue), scant attention is given to their customs and traditions while rehabilitating them. The rehabilitation policies reveal intolerance to cultural and social issues. The displaced are a 'number' among the large mass to be rehabilitated.

The reasoning that has predominated the issue of rehabilitation of displaced persons is largely economic. Economic issues are supposed to be survival issues,

while the destruction of culture is considered as secondary. Economic and cultural rehabilitation are seen as distinct from each other. In most traditional, agricultural societies, it is difficult to separate the two. Economic skills are disseminated through cultural practices and the process of socialisation, while culture is renewed and reinstated in society in the process of economic production. Needless to say, almost all festivals and ritual functions in traditional societies mark different stages of work over the various seasons in the year. In such a scenario, the prioritisation of the economic over the cultural aspect of life demonstrates the secularisation and modernisation of life evident in modern industrial society. Displacement through large dams then has not just meant moving people from one place to another, but has also entailed destroying an entire way of life built over generations, economic and cultural skills accumulated through ages to survive in, often, the harshest of environmental conditions.

In an unrelenting effort to find solutions to the problem of poverty, the development planners have evolved projects involving unimaginable expenses, encouraged investments in agricultural and industrial production, which has created drought-like conditions in many parts of the country as well as increased economic inequality. Thus in a quest to dispel poverty, poor are displaced and rendered homeless. In an attempt to deal with the drought-like conditions and the crisis of water for drinking and irrigation, they have acquiesced to destroy existing natural resources to create new ones. This circuitous attempt at development or the pursuance of modern development that aggravates the resource crisis while simultaneously addressing the problem by further exploiting existing resources has caused greater harm than gain. It has proved to be unsustainable, both in terms of environmental consequences and as a model for alleviating poverty. Rather, it has come to symbolise a politics of development that is highly materialistic and aggressive, catering to the needs of a select population.

27.6 Experiments with Alternatives to Large Dams

What then is the alternative? Are there no other alternatives to large dams? Is there no other way of addressing the water crisis and yet reduce the human and ecological costs entailed in the construction of large dams? Are ‘small’ technologies or community level initiatives sustainable, and have they always been environmentally and socially appropriate? In India, it is common knowledge that low castes such as the untouchables were, and still are in some parts of the country, denied access to community-based water resources. The debate on dams and displacement has brought these questions and issues to the forefront. Thus it is necessary to move beyond the rhetoric of ‘small is beautiful’ or the unending debate over tradition versus modernity, and dwell on some of the experiments (which have borrowed techniques big and small, traditional and modern) taken up to address the water crisis. There are ongoing alternatives to big dams that are being experimented with, by grassroots organisations in various parts of the country as well as the world. According to the UN Food and Agriculture Organisation research, almost half of the five million hectares irrigated land receives water from small scale and traditional systems. Similarly, according to official sources in India, three-fifths of the irrigated area receives water from traditional wells or small reservoirs known locally as ‘tanks’ (Figures of the World Bank as quoted by McCully 1998: 184).

Reflection and Action 27.3

Now that you have learnt about some potential alternatives to large dams. You have also learnt the potential dangers of large dams. In view of your experience suggest a few measures, which may be implemented as alternative to large dams in your area.

Box 27.1: Alternatives suggestion

What do you think of these suggestions as measures to ease the water crisis in north Gujarat? Are they practicable and can these suggestions be considered for India as a whole? How effective would these suggestions be within the existing socio-economic and political environment in the country?

Suggestions made by a group consisting of economists, NGO workers, hydrologists, and village level workers for dealing with the water crisis:

- Recognition of the traditional sources of water such as *talavs* (lakes), *virdas* (shallow holes into which groundwater slowly seeps and is collected for drinking) and *vava* (stepped wells). This, along with village-level water harvesting measures such as check-dams and storage dams, can alleviate scarcity situations.
- Modify the present structure of property rights over groundwater. Currently groundwater is not a common resource; it belongs to people who dig bore-wells in their land. This has resulted in landowners trying to exploit as much of the groundwater as possible regardless of the extent of their needs.
- Limit the depths of bore-wells. An attempt to amend the Bombay Irrigation Act was made in 1970 in order to prevent the digging of bore-wells beyond 45 metres. But ordinary ordinances that might have made this a reality have been allowed to lapse.
- The state monitor groundwater levels with a view to halt the use of a particular well if it goes below a stipulated level. This method may be applied only if alternative water sources are available in the area.
- Return to pro-rate pricing of electricity instead of the existing flat rate. Gujarat had fixed a flat rate, but the farmers' lobby got it changed.
- If agriculture is to remain the mainstay of these regions, implement an extension approach for irrigation using methods such as drip irrigation. If this is done, some of the cash crops responsible for straining water resources would automatically be phased out, since extension irrigation is not suitable for all crops.
- Adopt widely dry farming methods and alteration in cropping patterns.
- Alter the pricing policy in order to attract people to other crops. Saurashtra is the world's largest supplier of the groundnut crop. It is possible that any attempt to alter this will be opposed by the rich farmers of the region.

Source: *Frontline* 9 June 2000

Alternatives to large dams have concentrated on two broad aspects of water management: recharging ground water and water conservation. One of the biggest impediments to water conservation has been the indiscriminate use and waste of water in urban areas as well as for irrigation. Many modern techniques such as drip irrigation, in which water is delivered directly to the root of the plant through porous pipes, and sprinklers are commonly known prudent methods of irrigation. Similarly, urban domestic consumption of water has been a matter of concern in advanced societies. A set of measures introduced in Arizona helped to bring down household consumption of water from 760 litres to 590 litres per day per person. These measures include subsidising the distribution of water-efficient technologies like low flush toilets that uses 6 litres of water instead of the 16 litres used by a conventional flush system, initiating campaigns on water conservation as well as fitting meters to monitor water consumption in each household. Another method that has been successfully used in Israel is the utilisation of treated sewage or municipal wastewater for irrigation (McCully 1998).

In the early 1990s, the catchphrase in India was 'watershed development'. It was considered as alternatives to big dams, a natural way of harnessing and

collecting runaway river water and rainwater by diverting it into tanks and wells through trenches, etc. Government circles, the international funding agencies as well as NGOs were taken in by this method and community level initiatives were started all over the country. The principle was to work along the topography of the area. Rivers are supplied by numerous sources of water that channel rainwater to the rivers. These sources from which rivers catch their water are called catchments. The idea is to harness the water from the catchments by planting shrubs and plants on the natural slopes to slow down the momentum of its flow and reduce soil erosion as well as hold water in the area for local use. The water thus weighed down is then channelled through trenches, troughs, etc. into tanks, bandhs or wells. Watershed development has succeeded in a number of villages but has not really taken off on a large scale as an alternative for harnessing water.

Experiments in watershed management have certain common characteristics in that they require small-scale efforts at the village level, with each village creating their systems to tap water, but all the individual efforts come together as a part of a larger scheme. The scheme therefore requires an equally efficient management, cooperation of people as well as technical guidance, as each area has a distinct topographical and watershed profile. It requires technical and management experts to acquiesce on the scheme in as much as it requires careful consultation with the community on the efficacy of the design. Practical knowledge about the terrain and climatic behaviour are often crucial tests of scientific experiments, as observed in most cases across the country. The success of watershed development has usually depended upon how well the programme has been received by the community and whether they have actively participated in its conception and implementation. At the community level, the issues of water rights of socially and economically disadvantaged groups have been crucial. Conflicts over resources have become highly volatile, with the rich and the socially powerful trying to corner the benefits of the hitherto common resources and fortifying the conditions of deprivation and poverty.

Thus alternatives to large dams or macro irrigation projects have typically their own constraints - social, technical and managerial. Micro irrigation efforts have been dismissed for its limited scope and scale. Yet they have been appreciated for the use of diversity of cost effective techniques as well as for initiating community based programmes instead of the top-down administration of water projects, as in the case of large dams, thereby introducing transparency and people's participation in maintaining and managing natural resources.

Reflection and Action: 27.4

Listed here are some of the ongoing and successful Watershed Development initiatives in perennially drought-prone areas. *Samaj Pragati Sahayog*, Bagli Tehsil of Dewas District, Madhya Pradesh, *Hiwre Bazaar* in Ahmednagar District, Maharashtra, *Ralegansiddhi* in Ahmednagar District, Maharashtra, *Tarun Bharat Sangh* in Alwar, Rajasthan. You may be having information about many such development initiatives. Either best on your experience or information collected from secondary sources write a detail note about the functioning and effectiveness of watershed development initiatives.

27.7 Conclusion

The unit began with a short note on dams, enunciating their historical significance as well as the role of the state and community in managing water resources through the ages. Clearly, famines and droughts have always concerned human civilisation, but the problem has intensified in the modern era. This millennium is characterised by a water crisis, which is aggravating by the day. While human civilisation has been able to tap natural resources for the benefit of humankind with the advancement of modern science and technology, the latter has also disregarded the rhythm of nature leading to the

present ecological crisis. The debate on dam and displacement also demonstrated how large dams not only displaced people, but also that the displaced persons belong to the marginalised sections of the society such as tribes, poor peasants and the landless. The section on alternatives demonstrated how alternatives to large dams, taking cue from the experience with large dams the world over, have tried to focus on environmentally friendly and viable techniques of harnessing water as well as evolving greater participation of people so as to ensure equal accessibility to water resources across social and economic divisions. Although the alternatives have also been subjected to criticisms regarding their efficacy and sustainability, they illustrate the relentless endeavour to experiment and seek solutions to one of the world's most critical concerns - water.

27.8 Further Reading

Lokayan Bulletin, Editorial Piece 1991. *Dams on the River Narmada: A Call to Conscience*. May-August Vol. 9, No.3 and 4, Pp 1-10

Mathur, Hari Mohan and David Marsden (ed.) 1998. *Development Projects and Impoverishment Risks*. Oxford University Press: Delhi

McCully, Patrick 1998. *Silenced Rivers. The Ecology and Politics of Large Dams*. Orient Longman Ltd.: Delhi



ignou
THE PEOPLE'S
UNIVERSITY

UNIT 28

Green Peace Movement

Contents

- 28.1 Introduction
- 28.2 The Emergence and Growth of the Organisation
- 28.3 Green Peace Movements: Objectives
- 28.4 Green Peace Movements: Global Avenues of Action
- 28.5 Green Peace Movement: An Assessment
- 28.6 Green Jobs
- 28.7 Environment Sector and Job Opportunities
- 28.8 Conclusion
- 28.9 Further Reading

Learning Objectives

This unit introduces you to a new phenomenon called green peace movement, which has enduring impacts on the process of development. After reading this unit you should be able to discuss:

- objective of this movement;
- the emergence and growth of this movement;
- achievements of this movement; and
- socio-political implications of this movement.

28.1 Introduction

At the threshold of the 20th century, new socio-political movements emerged in the world challenging the conventional developmental model prevalent in the capitalist mode of production and consumption. These movements evolved as a response to the problems and issues that emerged in different parts of the world and in different communities and groups that were the result of the the current process of development followed nationally and internationally and its political, economic and social ramifications. These movements, struggles and organisations have taken many forms and have different emphases at different places. Green peace is one such independent international environmental organisation founded in Vancouver, British Columbia, Canada in 1971. It is committed to the principles of non-violence, political independence and internationalism. Green peace's official mission statement describes the organisation and its aims thus: Green peace is an independent campaigning organisation, which uses non-violent, creative confrontation to expose global environmental problems and force solutions for a green and peaceful future that follows sustainable development practices. The goal of green peace is to ensure the ability of the Earth to nurture life in all its diversity (<http://www.greenpeace.org>).

The Environment has been a prominent part of any political and social agenda since the 1960s. The expansion of the consumer society after the 2nd World War in North America and Europe has increased the pressure on the environment causing the deterioration/degradation of the environment. The environmental movement that originated from these concerns is not very historically oriented. The contemporary problems are seen as unique and a product of 20th century capitalism and industrial progress.

In this context we shall look at the efforts of one of the forerunners of environmental activist movement in the world, the Green peace movement. Green peace movement works to change government and industrial policies that threaten the natural world. Green peace calls attention to the dangers to the environment of such actions as offshore oil drilling, nuclear bomb testing and the dumping of radioactive wastes into oceans. It also opposes whaling, the spread of nuclear weapons and the threat to wildlife from hunting, pollution and habitat loss.

The present unit will look into the circumstances that lead to the emergence of the green peace movement and its growth through its activities for more than three decades. The green peace movement emerged as a people's initiative to save the environment and the ecology, which was affected to a great extent by the so-called development activities around the globe. The movement emerged with some specific objectives, which will be explained in detail here. The unit will also look into the main activities and the major achievements of green peace movement. Let us start with the emergence of this environment movement.

28.2 The Emergence and Growth of the Organisation

Green peace was founded in 1971 in the basement of the Unitarian Church in USA by a small group of people who were motivated by a vision of a green and peaceful world. These activists, the founders of green peace, believed that individuals could make a difference. The founders linked peace, ecology and a talent for media communications and went on to build the world's largest environmental activist organisation.

Taking its name from a slogan used during protests against United States nuclear testing in late 1969, the Committee came together with the objective of stopping a second underground nuclear bomb test codenamed Cannikin by the United States military beneath the island of Amchitka, a tiny island of the West Coast of Alaska, which is one of the world's most earthquake-prone regions. A small team of activists set sail from Vancouver, Canada, in an old fishing boat. Their mission was to "bear witness" to US underground nuclear testing at Amchitka. Amchitka was the last refuge for 3000 endangered sea otters, and home to bald eagles, peregrine falcons and other wildlife. When though their old boat, the Phyllis Cormack, was intercepted before it got to Amchitka, the journey sparked a flurry of public interest. The test was not stopped, but the voice of reason had been heard and the organisation of the committee laid the groundwork for green peaces later activities. Nuclear testing in Amchitka ended that same year and the island was later declared a bird sanctuary.

Although the movement started its activities opposing nuclear tests, in later years, the focus of the organisation turned to other environmental issues as well, including bottom trawling, global warming and genetic engineering. Green peace also gained international attention for its efforts to save whales and for its opposition to the killing of baby seals off the coast of Newfoundland in Canada. In 1985, Green peace members planned to use their ship Rainbow warrior to protest against French nuclear tests in the South Pacific. But an explosion sank the ship in the harbour at Auckland, New Zealand, and a Green peace photographer was killed. French government officials admitted responsibility for the sinking, and the defense minister resigned.

By 1986 Green peace was established in 26 countries and had an income of over \$100 million per year. In 1986 the mainstream of western society had started adopting the very environmental agenda that had been considered radical only fifteen years earlier. By 1989 the combined impact of Chernobyl, the Exxon Valdez, the thereat of global warming and the ozone hole clinched the debate. All but a handful of reactionaries joined the call for sustainable development and environmental protection.

Whereas previously the leaders of the environmental movement found themselves on the outside railing at the gates of power, they were now being invited to the table in boardrooms and caucuses around the world. For environmentalists, accustomed to the politics of confrontation, this new era of acceptance posed a challenge as great as any campaign to save the planet.

Presently, Green peace is an international organisation that prioritises global environmental campaigns. In 2005, Green peace has 2.8 million supporters worldwide, and national as well as regional offices in 41 countries, all affiliated to Green peace international based in Amsterdam, Netherlands (www.greenpeace.org).

Reflection and Action 28.1

Just now you learnt the circumstance under which green peace movement emerged. Can you examine the significance of green peace movement that functions cutting across national boundaries?

28.3 Green Peace Movements: Objectives

Members of Green peace use direct and as mentioned earlier, nonviolent methods of protest. Green peace has been campaigning against environmental degradation since 1971, where the US Government was conducting underground nuclear tests. This tradition of ‘bearing witness’ in a non-violent manner continues till today.

The green peace activists’ act of protest is unique. They go to the place where an activity that the group considers harmful is occurring. Without using force, they try to stop the activity. For example, to protest against whaling, Green peace members in boats position themselves between whales and whaling ships.

Green peace is a campaigning organisation and organises public campaigns for the following causes:

- Protection of oceans and ancient forests
- Phasing out of fossil fuels and the promotion of renewable energy to stop climate change
- Elimination of toxic chemicals
- Prevention of genetically modified organisms being released into nature
- End to the nuclear threat and nuclear contamination
- Safe and sustainable trade

Examine the significance of the objectives of greenpeace movement in the context of present day development practices.

Green peace does not solicit or accepts funding from governments; for not compromising its independence, aims, objectives or integrity. It relies on the voluntary donations of individual supporters, and on grant support from foundations.

Among other things Green peace has played a pivotal role in:

- Ban on toxic waste exports to less developed countries
- Moratorium on commercial whaling
- United Nations convention providing for better management of world fisheries
- Southern Ocean Whale Sanctuary
- A 50-year moratorium on mineral exploitation in Antarctica

- Ban on the dumping at sea of radioactive and industrial waste and disused oil installations
- End to high-sea, large-scale driftnet fishing
- Ban on all nuclear weapons testing which was their first ever campaign.

Box 28.1: The Impact of Recycling of e-wastes on the Environment in India

Every year 20-50 million tones of electrical and electronic wastes (e-wastes) are generated world wide, which can bring serious risks to human health and environment. This rapidly growing e-waste system presents additional difficulties because a wide range of hazardous chemicals are, or in the past been used in the components of electric or electronic devices, and these subsequently create substantial problems with regard to handling, recycling and disposal of obsolete products. The EU banned the use of certain hazardous substances in electrical and electronic products from July 2006 to facilitate safer recycling. The e-waste recycling sector in many parts of Asia remains highly unregulated. Green peace studies the impact of e-waste recycling in India on environment, and on the health of recycling workers and surrounding communities. It studied samples that included industrial wastes, indoor dusts, soils, river sediments and ground water from typical sites representing all major stages routinely employed in dismantling, recycling and final disposal of the e-wastes. The results of the study confirm that all stages in the processing of e-waste have the potential to release substantial quantum of toxic heavy metal and organic compounds to the workplace environment and also the surrounding soil and watercourses. The study illuminates on the urgent need for the manufacturers of electronic products to take the responsibility for their products from production through to the end of their lives. It also urges the manufacturers to develop and design clean products with longer life span that are safe and easy to repair, upgrade and recycle and will not expose the workers and the environment to hazardous chemicals.

Source: www.greenpeace.org

28.4 Green peace Movements: Global Avenues of Action

The priority issue for green peace is climatic changes. They believe the disruption in the ecosystem will likely harm everything from minke whales to coral reefs to polar bears. The world forest cover will deplete, and hundreds of thousands of species will become extinct due to drastic weather change. Climate change will also bring devastation to people and communities, especially some of the world's poorest. They do this by sensitising the people about the need to maintain climatic stability and influencing the policy decisions of national governments that may leave an impact on the climate. Let us now look into some of the green peace actions against some national initiatives which otherwise could have caused adverse environmental changes.

Some of the main avenues of action of green peace movements as mentioned earlier, are in the areas of climate change are saving sea and sea wealth, protection of ancient forests, protesting against genetic engineering, elimination of toxic chemicals, ending nuclear tests, encouraging sustainable trade, and abolishing nuclear weapon. In this section let us see some of the initiatives of the green peace in each of these avenues.

Stop human caused climate change: Green peace activists are very prompt in protesting the energy and power plants that may cause environmental deterioration and climatic changes. They claim burning of coal is one of the main causes for global warming. And this is precisely what many of the giant power plants around the globe do. They accuse that international lending agencies such as Asian Development Bank, World Bank, Japanese International

**Development, Displacement
and Social Movements**

Bank for International Cooperation, Export Agencies etc. all of whose proclaimed agenda is development of underdeveloped, in fact are depriving the people of the both developing and developed nation a healthy living environment by way of financing huge power projects that cause adverse environmental impact.

According to green peace movement out of the ADB's entire Energy Portfolio Financing from 1966-2004, only 1.82% went towards funding renewable energy and energy efficiency. The overwhelming majority of financing has been geared towards fossil fuel power projects such as the Masinloc coal plant in the Philippines and Southeast Asia's largest coal plant in Mae Moh, Thailand and currently funds are being earmarked for newer plants like Map Ta Phut in Thailand. Since Mae Moh began operations in 1955, 30000 people have been displaced, almost 200 killed and thousands suffer from respiratory problems caused by inhalation and exposure to sulfur dioxide from the mine and the power station.

Clean alternatives to fossil fuel power in Asia are widely available. In the Philippines enough wind power potential exists to produce 7 times over the country's current energy demand. In the Chinese province of Guangdong there exists sufficient wind power potential to meet the equivalent of the current energy supply in Hong Kong.

International financing institutions like the ADB, along with the WB, need to stop fuelling the problem of climate change and start financing cleaner, safer solutions. Greenpeace calls on them to commit to a 20% renewable energy target for power project lending annually. They need to come clean on dirty energy. Green peace activists demonstrate peaceful protest against these projects. They protested the expansion of the Masinloc coal power plant in Mainila. Greenpeace activists were at the plant to draw attention to Australian and Japanese backing of the expansion of climate changing coal dependency in Asia. Australia and Japan are underwriting climate change at a time when the Philippines and Asia are facing the likelihood of devastating social and economic instability from climate change precisely when the country and the rest of Asia are least able to deal with its impacts.

Another instance is that of a case in Brazil. The devastating drought currently affecting the Amazon rainforest is part of a vicious cycle created by the combined affects of global warming and deforestation and could cause the collapse of the rainforest, according to scientists. Brazil is one of the most vulnerable countries to climate changes in the world because of its invaluable biodiversity. Seventeen per cent of the Amazon has been completely wiped out over the past 30 years, according to Brazilian National Institute for Space Research (INPE) and even more has been damaged by destructive and illegal logging and other human activities. Life on Earth depends on ancient forests for its survival. They are the richest most diverse habitats, and help stabilize climate and regulate the weather. Amazonian deforestation and fires account for more than 75% of Brazil's greenhouse gas emissions and place it amongst the top four contributors to global climate change. Greenpeace called on governments to take urgent action to stop deforestation and commit to the massive carbon dioxide reductions needed to protect the Earth's biodiversity and millions of people who are at risk from the impacts of climate change and ancient forest destruction.

In China the severity of climate change is already bringing two of the world's mightiest rivers at the brink of collapse. Scientists from the Chinese Academy of Sciences say that environmental damage linked to climate change is pushing the Yellow River source into an ecological breakdown, threatening the lifeblood of 120 million people who rely on it for domestic as well as agricultural and industrial uses. In the Amazon river region, one of the worst droughts ever recorded is damaging the world's largest rainforest, with wildfires breaking out, fresh drinking water becoming scarce and polluted and the death of millions of fish as the streams dry up.

Reflection and Action 28.2

You must have read or heard about green peace activities in newspapers, TV, Internet etc. What are the methods used by green peace activists for mobilising campaign for their organisational cause?

Save sea from destruction

Our oceans cover two thirds of the planet and host 80% of all life, from microscopic plankton to the largest of the great whales. Oceans also provide half of the oxygen requirement of the planet. Until a few centuries ago oceans were protected by vast distances, great depth and harsh conditions making it inaccessible to the human kind. The latest vessels and equipment used to exploit marine life coupled with the burning of fossil fuels and the development and dumping of chemicals into the oceans outpace their ability to cleanse themselves and maintain a natural balance. The indiscriminate exploitation of oceans causes “dead zones” of lifelessness in the sea, decimation of fishing stocks, extinction of whales etc. Green peace movement make a voice against this for saving our sea and sea life from further destruction.

Other than seabed trawling some of the key threats to the sea life are industrial fishing, destructive fishing, unfair fisheries and fish farming. Industrial fishing fleets, using pinpoint accurate sonar, can zone in on schools of fish with frightening speed and precision. The modern ‘goldrush’ for fish in many places far exceeds the ocean’s ability to recover. Destructive fishing wastes marine life. Many a times when it is fishing for particular types of fishes 90% of what comes into the net are thrown back mostly killing the unwanted fish lives. This accidental catch or by-catch as it is euphemistically known, is not restricted to unwanted fish. Every year, up to 300,000 whales, dolphins and porpoises die in nets and 100,000 albatrosses are caught on hooked fishing lines. Turtles, seals and sharks are also victims of indiscriminate fishing practices. Unfair fisheries include pirate ships that steal vast quantities of fish destroying the marine environment. Also by misappropriation of their “catch” large fleets of trawlers cheat the nations. Fish farming, known as aquaculture, is often promoted as the solution to over fishing. But it is far from the answer. The shrimp aquaculture industry is perhaps the most destructive, unsustainable and unjust fisheries industry. Mangrove clearances, fishery destruction, murder and community land clearances, to make way for fish farming, have been widely reported by human rights and environmental groups in almost a dozen countries around the world.

Some countries have introduced protected areas within their national waters — a national twelve-mile exclusive economic zone to save the sea from destructive human activities. Greenpeace believes that this is not enough if protection is to be effective. They call for a massive network of marine reserves. Marine reserves are areas of the sea that are fully protected from human activities – national parks for oceans. Greenpeace defines marine reserves as areas that are closed to all extractive uses, such as fishing and mining, as well as to disposal activities. Within these areas there may be core zones where no human activities are allowed, for instance areas that act as scientific reference areas or areas where there are particularly sensitive habitats or species. Some areas within the coastal zone may be opened to small-scale, non-destructive fisheries, provided that they are sustainable, within ecological limits, and have been decided upon with the full participation of affected local communities. The establishment of marine reserves has been shown to result in long-lasting and often rapid increases in marine populations, their diversity and productivity.

Protect ancient forests

The world’s ancient forests are truly diverse. They include boreal, temperate and tropical forests, coniferous and broadleaf forests, rainforests and

Development, Displacement and Social Movements

mangroves. Together they maintain environmental systems that are essential for life on Earth. They influence weather by controlling rainfall and evaporation of water from soil. They help stabilise the world's climate by storing large amounts of carbon that would otherwise contribute to climate change.

These ancient forests are home to millions of forest people who depend on them for their survival - both physically and spiritually. These forests also house around two-thirds of the world's land-based species of plants and animals. That's hundreds of thousands of different plants and animals, and literally millions of insects - their futures also depend on the ancient forests. These magnificent ancient forests are under threat. More than 87 human cultures have been lost in Brazil alone; in the next 10 to 20 years, the world looks set to lose thousands of species of plants and animals.

Illegal and destructive logging operations encroach deeper and deeper into biggest forests of the world such as Amazon rain forests, Africa's Cameroon rain forests etc. One of the driving factors behind this forest destruction is the demand for cheap timber from the international market place. Green peace protested and alerted the concerned national governments as well as the international communities against this global threat. They gave some constructive suggestions to save the forest cover from depletion. They argued for:

- a) Adoption of legislation to halt the import and marketing of illegally logged timber into Europe and promote environmentally and socially responsible forest management worldwide. Such a law should allow for the prosecution of individuals and companies involved in the illegal trade of timber and timber products. Ultimately such a law should ensure European consumers that any timber products they buy are from legal and well-managed forests and that traders engaged in legitimate trade are not undermined.
- b) Developing strong Voluntary Partnership Agreements (VPAs) between producer countries and the European Union which will tackle corruption and weaknesses in the forest governance of producer countries and that will fully parliamentarians, NGOs and indigenous people organisations within those countries, leading to responsible forest management practises, such as those specified under the principles and criteria of the Forest Stewardship Council (FSC).
- c) 'Greening' their timber procurement by introducing legal and sustainable purchasing criteria and stop fueling illegal and destructive logging activities using public money.
- d) Implementing and enforce existing national and European legislation on bribery and money laundering, which are regularly linked to the trade in illegally logged timber.
- e) Providing sufficient funding for forest conservation and sustainable forest management in timber producing countries and ensures that EU subsidy programs do not fund or promote forest destruction.

Campaign against genetic engineering

While scientific progress on molecular biology has a great potential to increase our understanding of nature and provide new medical tools, it is also used to turn the environment into a giant genetic experiment by commercial interests. The biodiversity and environmental integrity of the world's food supply is very important for our survival to be put at risk.

Genetic engineering enables scientists to create plants, animals and micro-organisms by manipulating genes in a way that does not occur naturally. These genetically modified organisms (GMO) can spread through nature and interbreed with natural organisms, thereby contaminating non genetically engineered (GE) environments and future generations in an unforeseeable and uncontrollable way. Their release is 'genetic pollution' and is a major threat because GMOs

cannot be recalled once released into the environment. Because of commercial interests, the public is being denied the right to know about GE ingredients in the food chain, and therefore losing the right to avoid them despite the presence of labelling laws in certain countries. Biological diversity must be protected and respected as the global heritage of humankind, and one of our world's fundamental keys to survival. Governments are attempting to address the threat of GE with international regulations such as the Biosafety Protocol.

Scientists have developed a genetically engineered (GE) insect resistant *Bt* rice variety. Genetically engineered insect resistant *Bt* rice has not yet been approved for cultivation anywhere in the world. There is neither environmental assessment, nor human food safety assessment available for any GE *Bt* rice. However, studies from other GE *Bt* crops such as maize (corn) and cotton give strong indications that *Bt* rice will have serious environmental consequences and there are human food safety concerns.

GE insect resistant *Bt* rice varieties are developed to be resistant to certain pests such as leaffolder and yellow stem borer¹. *Bt* crops are created by inserting a synthetic version of a gene from the naturally occurring soil bacterium, *Bacillus thuringiensis* (*Bt*) into the plant's own DNA, so the plant creates its own toxin to destroy pests. Greenpeace opposed to this new variety of GE *Bt* rice on various grounds.

Reflection and Action 28.3

What are the potential threat of genetic engineering to human well being?

To eliminate toxic chemicals

Toxic chemicals in our environment threaten our rivers and lakes, our air, land, and oceans, and ultimately ourselves and our future. The production, trade, use, and release of many synthetic chemicals is now widely recognised as a global threat to human health and the environment. Yet, the world's chemical industries continue to produce and release thousands of chemical compounds every year, in most cases with none or very little testing and understanding of their impacts on people and the environment.

Governments and industry have failed to control the spread of dangerous chemicals around the globe. So widespread are manmade hazardous chemicals in our environment, in our homes and in the products we use everyday, that we are constantly exposed to polluting substances. As a result even our own bodies are contaminated.

Expansion of the global market for electrical and electronic products continues to accelerate, while the lifespan of the products is dropping, resulting in a corresponding explosion in electronic scrap. UNEP (2005) reports in every year 20-50 million electrical or electronic equipment waste (e-waste) are generated world wide, which bring serious risks to human health and environment. This rapidly growing "e-waste" stream presents additional difficulties because a wide range of hazardous chemicals are, or have in the past been, used in components of electrical and electronic devices, and these subsequently create substantial problems with regard to handling, recycling and disposal of obsolete products.

Greenpeace analyses of the man-made hazardous chemicals in consumer products, house dust, rainwater and blood add to the growing documentation that man-made chemicals are out of control, threatening our health and environment. It urges international community to substitute hazardous chemicals with safer materials. The European Union (EU), Japan, South Korea, Taiwan and several states of the USA have introduced legislation making producers responsible for their end-of-life products. The EU has banned the use of certain hazardous substances in electrical and electronic products from July 2006, to facilitate safer recycling. For the present, however, the "e-waste" recycling sector in many parts of Asia remains largely unregulated.

End nuclear threat

The Nuclear Age began in July 1945 when the US tested their first nuclear bomb near Alamogordo, New Mexico. A few years later, in 1953, President Eisenhower launched his “Atoms for Peace” Programme at the United Nations amid a wave of unbridled atomic optimism. However, the use of nuclear power has never been “peaceful”. Almost half a century after Eisenhower’s speech the planet is left with the legacy of nuclear waste, which will be radioactive for tens or hundreds of thousands of years. Nuclear installations, whether military or civil, have a sad record of accidents and incidents, shrouded in cover-ups, lies and misinformation. Radiation released into the environment has led to the contamination of soil, air, rivers and oceans; causing cancer and other diseases in people. Greenpeace is campaigning to end nuclear power, reprocessing and waste dumping.

Greenpeace was born when a group of peace activists tried to sail into the US nuclear weapons testing zone near Amchitka, Alaska in 1971. although green peace could not prevent that nuclear test it could make a world opinion against neclear testing.

Promoting sustainable trade

Greenpeace opposes the current form of globalisation that is increasing corporate power. According to them The World Trade Organisation (WTO) promotes free trade for the gain of private interests, over and above our health and the environment. It is fatally flawed and is moving the world in the wrong direction - away from peace, security and sustainability. By stalling on issues that are crucial to poorer countries, the World Trade Organisation (WTO) faces a crisis of legitimacy. They demand that the WTO adopts a policy of trade that truly works for all and that preserves and restores the environment. They support global environmental standards and argue that the governments must work to achieve sustainable development which means integrating three things: environmental, social and economic priorities.

Abolish of nuclear weapons

The Cold War may be over, but this does not mean nuclear weapons have disappeared. Far from it: There are over 30,000 nuclear weapons in the world, with more than a thousand of them ready to launch at a moment’s notice, 24 hours a day, seven days a week.

Over 400 reactors in warships and nuclear submarines are still circling the globe. Some are rotting away on the bottom of the ocean or in a distant port somewhere in Russia. Accidents such as the Russian submarine, the Kursk, tragically sinking in the Barents Sea can happen every day, anywhere.

Over 2,000 nuclear weapons tests have left a legacy of global and regional contamination. People living near the test sites have suffered from cancers, stillbirths, miscarriages and other health effects — and are still suffering today. Many had to leave their hometown or island as it became too contaminated to live there.

Reflection and Action 28.4

What are the potential threats to humanity and global environment posed by nuclear tests?

28.5 Green Peace Movement: An Assessment

Green peace is an organisation that has garnered world attention and new member through its rather unorthodox approach and techniques meant to call attention to the degradation of the earth’s ecosystem. In other words, Green peace is about ringing an ecological fire alarm, waking mass consciousness to the true dimensions of our global predicament, pointing out the problems and

defining their nature. The activities of green peace could bring the issues of environment and sustainable development into the forefront. Many developed countries around the world are increasingly integrating environmental protection into the mainstream of economic and political policy. Governments and bureaucracies, industry and professional associations unions and workplaces are moving together to put ecologically sustainable development into practice (Australian conservation Foundation 1994).

Green peace doesn't necessarily have the solutions to these problems and certainly isn't equipped to put them into practice. This requires the combined efforts of governments, corporations, public institutions and environmentalists and demands a high degree of cooperation and collaboration. Many developing countries already started research to solve the problems, which affect employment and environment. They began promoting green jobs that may not deteriorate the environment. Now let us understand what is meant by green jobs, as well as other ways of generating employment that help the regeneration of environment.

28.6 Green Jobs

In 1990s more and more developed countries began to be concerned about the rapid deterioration of environment and the unsustainable development practices adopted world over. Some of them even began policy initiatives to restrain this. Norway, Netherlands, European commission and Japan are some of the countries implementing strategic plans which placed the environment in the policy mainstream. They advocated the adoption of new development model to make the economic-ecological relationship a positive instead of negative one. The key for doing this lies in the creation of a new clean technology base. For example, in West Germany, drastic action was taken to reduce power plant emissions by 90% over 10 years period in order to save the destruction of their forests from acid rain. Far from acting as an impediment to economic growth, this greening of energy industry has proved an extraordinary stimulus.

In many of the developed countries it has been noticed that in spite of the economic growth on the one hand unemployment does not stop growing. Furthermore although a series of programmes have been established and legal measures taken, there was a deterioration of environment situation. Attempts were made to find ways that may generate more employment along with environment regeneration. It has been found that adopting an economic and political-ecologist policy may reduce job opportunities in certain sectors but in certain other sectors it may create more opportunities, more than what have lost. For example, renewable energy with respect to nuclear power, management of the demand for water, repair measures and rational irrigation as opposed to large hydraulic works, the development of public transport and the railways rather than automobiles, recycling rubbish instead of dumping wastes, etc. (Green Jobs Project 1998). There are also other measures such as forestry activities designed to reduce the risk of fires, surveillance of natural and national parks, environmental studies and inspections, waste water treatment, anti-pollution control and measurement in industry, eco-audit and environmental management systems in companies etc. which not only have a positive environmental impact, also create employment.

If a job or industry is to be characterised as sustainable in the long term then it must have the overall effect of reducing the negative impacts on the environment. According to Sarah Bloustein (1992) environmental sector is a term used to collectively describe the companies involved in business designs to limit negative environmental impacts. ILO has identified nine broad sub sectors of environment industries.

Box 28.2: Wind power to replace other more contaminating sources of energy in Spain

There has been a spectacular rise in the use of wind power in Spain in 1990s. it has leapt from the installation of 8 MW of power in 1991 or 75 MW in 1994, to almost 400 MW in 1998. By the end of 2000 this was 1400 MW. The Spanish Department of Industry and Power could create roughly 200000 jobs.

All the studies that have evaluated the employment generated by renewable energy forms, indicate that their creation capacity per unit of power produced is much greater than the equivalent for conventional and pollutant energy sources. This difference will decrease if aero generators are manufactured in large scale. The potential for this source of power at a world scale is very high.

28.7 Environment Sector and Job Opportunities

Macro economic studies carried out around the world have concluded that the labour intensive nature of energy efficiency services and renewable energy would lead to a net increase in jobs where they replaced conventional energy delivery. Energy efficiency and renewable energy sources create jobs across the manufacturing and services sector and across a wide spectrum of occupational skills from professional to trades to unskilled works. Types of jobs in this category includes energy auditing and evaluation of energy requirements, research and development, product and system design, manufacturing, marketing, sales, transport, installation, maintenance, education and training. Other renewable energy options that could generate new jobs include wind, solar thermal electricity and process heat, biogas, wood, alcohol, solar buildings, and day lighting. Waste management and clean production are another fast growing environment industry.

Reflection and Action 28.5

What did you understand by green jobs? Explore job opportunities in any sector that may help in environment regeneration.

28.8 Conclusion

The priority issue for green peace is climatic changes. They believe the disruption in the ecosystem will likely harm everything from minke whales to coral reefs to polar bears. Whole forests will be lost, and hundreds of thousands of species will become extinct. Climate change will also bring devastation to people and communities, especially some of the world’s poorest. They do this by sensitising the people about the need to maintain climatic stability and influencing the policy decisions of national governments that may leave an impact on the climate.

In this unit we have seen the circumstances that lead to the emergence of green peace movement as well as their main avernes of action. We also come across various intrances where green peace movements demonstration for sustainable development. Also elobarated in this unit green jobs. the job opportuniteis in those sectors that promote sustainable environmental development and environmental regeneration.

28.10 Further Reading

This unit is largely developed based on the information given in the official website of green peace movement <http://www.greenpeace.org>

Doherty, Brian 2002. *Ideas and Actions in Green Movement*. Routledge: London
Shabecoff, Philip 2003. A Fierce Green Fire. *The American Environmental Movement*. Island Press: Washington

Unit 29

People Science Movement

Critique of Knowledge
Society

Contents

- 29.1 Introduction
- 29.2 Genesis and Aim
- 29.3 A Brief History
- 29.4 Some Fundamental Issues
- 29.5 Activities of PSMs
- 29.6 Some Prominent PSMs in India
- 29.7 Conclusion
- 29.8 Further Reading

Learning Objectives

This unit will help you understand:

- the emergence of the people science movement and its aims;
- the basic issues and challenges confronting people science movement; and
- an overview of the activities of people science movement.

29.1 Introduction

Movements are about ideas – ideas that shape society and change the way we live and think. Building on this heritage, the science movement adds a new dimension to these progressive ideas – a critical understanding of science. The people's science movement has emerged as a vibrant nationwide movement encouraging mass participation in matters of development, including intervention in science-related policy formation.

This unit begins with a discussion of the emergence of the People's Science Movement (PSM) and its broad objectives. A convention of PSM held in Kerala, India for the first time initiated extensive interest and marked the beginning of PSMs in several parts of the country. A brief description of the same is presented in this unit. The activities of the PSMs are diverse and have been described here at length. The last section of the unit carries out an overview of some important PSMs functioning in our country.

29.2 Genesis and Aim

The 20th century has made the role of science and technology central to how society works. Not just in production, economics and war but also in sharing public opinion, in defining culture, in politics, in music, in government science plays an important role today.

The impetus and inspiration for science-based social activism came not from a mere desire for dissemination of information on natural sciences but largely from the disillusionment of concerned intellectuals, mostly in the younger age group, with the official thinking and action in alleviating mass poverty and unemployment and its concomitant degradation of human condition. Groups engaged in science education and dissemination became conscious of the new challenges. From acquiring and disseminating knowledge to applying it with a view to changing society meant the rationalisation of a more active role for the intellectual community than was understood hitherto.

**Development, Displacement
and Social Movements**

The people science movement aims at a critical understanding of science. It informs the common people on what science is being done, how and why, i.e., analysing policies, educating people and mobilising public opinion on issues. It further works towards constructing a rational society by explaining natural phenomena using science and countering irrational beliefs and superstitions. By initiating programmes such as training teachers to use innovative teaching methods, training village women to use health information, training farmers to experiment and use science to improve the soil, etc., mobilising the poorest and putting into practice the promise of science — improving living conditions.

People Science Movements have a history of credible interventions in the area of improving conditions of social groups, often disadvantaged, through science and technology inputs. PSMs are diverse in constitution and organisational form, and in the nature of their activities. Some focus on the unscientific attitudes and policies towards such basic issues as health, while others are engaged in highlighting the adverse impact of development activities as a result of inadequate/wrong application of science and technology in the field of the environment. Still others demonstrate innovative ways of teaching science, the use of scientific knowledge in the area of health, non-formal education, appropriate technology, housing, etc. The basic philosophy of the PSM is that Science and Technology (S&T) inputs are essential to achieve the goal of an equitable and sustainable society although such inputs by themselves are not sufficient. The PSM groups believe that the public needs to develop a critical understanding S&T in order to be able to participate in the growth and application of S&T, especially in the choice of technologies in different contexts.

Reflection and Action 29.1

Broadly speaking, what were the main objectives of the people science movement?

29.3 A Brief History

The origin of PSM in India may be traced to the early 1950s when a number of organisations got engaged in activities aimed to create scientific awareness among the general public. The Kerala *Sastra Sahitya Parishad* (KSSP), the *Marathi Vigyan Parishad*, the Assam Science Society and the Banga *Vigyan Parishad* are the more prominent among them. They began dissemination of information about science and technology by publishing literature in various Indian languages. Of these, the KSSP in the 1960s and 1970s grew into a mass organisation.

A Convention of PSM was held for the first time in India in November 1978 in Trivandrum under the auspices of Kerala *Sahitya Sastra Parishad* (KSSP). Since then, there has been an intensification of the interest in initiating a PSM in several parts of the country. The need was then felt for a second convention of PSM, which was hosted by KSSP in Kerala. The concern of the convention was focused on the need to define a PSM, which should form the basis of an all-India perspective so that programmes and activities initiated would have a clear-cut direction and purpose.

Four areas were identified for a future programme of action as the basis for initiating a PSM in the country. i) Health ii) Education iii) Environment iv) use of Arts as a medium of communication with the people.

After extensive discussion a few common programmes were chalked out one each of these subjects so that joint action could be initiated throughout the country.

Health: Questions were raised on the relevance and adequacy of the existing health delivery system and hence a people's health movement should form a crucial component of a PSM. Despite expansion in health services, the actual distribution has an urban and curative bias.

The objective necessity of joint action at the all-India level, the possibility of involving non-professionals in such action programmes and the availability of resources and manpower for implementation were considered. The convention noted that the role of indigenous medicines as a possible alternative should be scientifically examined. The irrationality of the anti-diarrheal drug combinations should be emphasised and people should and can, be educated on such simple measures as Oral Rehydration Therapy (ORT) for managing diarrhea. The inter-relationship of diarrhea and unsanitary living conditions, lack of facilities for sewage disposal and above all malnutrition and poverty should be emphasised in such campaigns.

That joint action on health problems specific to women should be taken up was generally felt as highly urgent. A campaign on anaemia in women is a major issue. Propaganda against the irrational anti-anaemic drugs, demand for better medical facilities during pregnancy, prophylactic measures against anaemia and the root cause of anaemia as poverty and the poor socio-economic condition were highlighted.

Education: The most burning issue in the field of education was the failure of the Government to implement UPE, which was closely linked to the need of Adult Education. It was decided to emphasise the need for activities aimed at increasing the involvement of teachers in popularising science as well as in discussing problems of education in general. The following activities were suggested as being useful in further work:

- a) Bringing out magazines for children to popularise science and literature as is done by groups like *Kerala Sastra Sahitya Parishad* (KSSP)
- b) Organising community science centers with a library, workshop, audio-visual facilities and mobile exhibitions.
- c) Use of art and theatre forms as catalysts media for dissemination of PSM ideas.
- d) Field study and surveys of the problems of education to base the initiative and understanding on more firm grounds

Environment: Environmental problems can only be understood as an aspect of the broader reality. A scientific analysis of the totality of the interconnections between seemingly unrelated issues is the only viable basis for effective action. The Forest Bill, which gives extensive powers to forest officials, encroaches on the right of the people such as tribals who depend on forests and facilitates the acceleration of the process of deforestation by commercial vested interests. The issue of the Forest Bill is a focal point for people science movements. Not only can it enable them to assist people's struggles but it can enable the mobilisation of public opinion on a whole range of issues – social forestry, floods, wildlife, drought, etc.

Development projects are carried out without attempting to analyse their impact on the environment. A broad consensus emerged from the discussion on environment:

- a) Vested interests benefiting from environmental degradation are actively assisted by the State.
- b) Science is not value-neutral but used to assist vested interests. For instance, forestry science is used to justify deforestation by the forest department.

Development, Displacement and Social Movements

- c) PSMs must base their views on scientific analysis of problems and vested interests in science.
- d) Conservation of the environment is not possible unless people’s struggles are channeled to counter the policies of the State and the power of the vested interests.

On the above basis it was argued that joint action be initiated at the national level on:

- a) Breaking the communication gap between PSMs, informing each other about problems faced, tactics used and problems encountered;
- b) Circulating policy studies such as the critique of the Forest Bill and studies on occupational safety for wider dissemination;
- c) Exchanging visits;
- d) Producing such other materials for exchange and dissemination; and
- e) Forging a united front against the Forest Bill.

Art: A great deal of discussion took place on using art as a medium of communication with the people. The Uttarakhand *Sangharsh Vahini* had been using art in its various struggles first against deforestation and similar issues but now embracing all aspects of the people’s struggles. Out of such struggles, songs, poems and plays evolved these sentiments.

It was felt that efforts should be made to exchange not only the experiences but also the performances of different groups using art as a weapon in creating people consciousness. This would not only enrich each other’s efforts but also create a feeling of solidarity amongst people. Through such interchange they could see and understand the linkages between their micro and macro situations. Mutual exchange of visits, translation and adoption of the material used by different groups were viewed as a useful task.

Reflections and Actions 29.2

Discuss the programme of action identified in the PSM convention.

29.4 Some Fundamental Issues

Apart from identifying common areas for joint action, certain fundamental issues were raised in the convention regarding the various approaches to the concept and relevance of PSMs in India. One view contends that the PSM should concentrate on the issue that falls on the interface between science and society. Hence the concern of the PSM should be on the natural science content of such issues. The PSM should provide “scientific information” for effectively carrying out people’s struggles by mass organisations. In such a conceptual framework, the PSM has a large area of autonomy in terms of dissemination of information, sensitising the scientific community, suggesting solutions to social problems whenever there is a strong content of science and technology and above all creating a scientific attitude among the people and their organisations.

It was argued that this view was inadequate and restricted. “Science” should emphasise the need for an alternative method for understanding and analysing social issues. This view contended that the link between natural and social sciences is organic and they are not separate. In every social issue there is a natural science content and vice versa. The emerging social contest requires a PSM which, apart from helping other mass organisations, also establishes its own territory by directly going to the people as certain issues and situations require independent intervention of PSMs.

Another view held by some put forth the argument that the concept and meaning of science as used has been derived from the western tradition, which is not too relevant to our context. An attempt should be made to turn to an indigenous concept of people's science, and on that basis build a perspective for science based social activism in the country. However serious doubts were raised on the indigenous concept of science

29.5 Activities of PSMs

The PSM activities can be broadly classified into four categories:

- a) Science and Communication: Science communication is the basis for the movement in several States. It involves science teachers, working scientists and the science-qualified middle class and students. The activities include science publications, popular science lectures, street plays and school science activities. Cultural forms or communication are extensively used in the *Kala Jathas*. One of the sustained activities of Haryana *Vigyan Manch* has been its campaign against superstitions and myths. For children, in particular, science popularisation by the PSM organisations has been through children's science festivals, children's science projects, and quiz contests, science tours and publication of children's science books. An annual Children's Science Congress is held shortly before the Annual Indian Science Congress and winners in the former participate in certain special fora of the latter. Besides, innovative science teaching methods are also propagated by some of the PSM groups.

Some of the well-know publications of these groups include *CHAKMAK* (for children), *Srote and Sandarbh* (for teachers) brought out by *Eklavya*; *Thulir* (in Tamil) and *Jantar Mantar* (in English) brought out by the Tamil Nadu Science Forum (TNSF). Many of the PSM groups have won national awards for excellence in science communication. These include the Haryana Vigyan Manch, the Pondicherry Science Forum, the TNSF, the Karnataka Rajya Vigyan Parishad, the Madhya Pradesh Vigyan Sabha, Srujanika, the Assam Science Society, the Paschim Banga Vigyan Manch and the KSSP

- b) Policy Critiques: The forum of PSM allows scientists and professionals to critically evaluate state policies, not just science and technology and research and development policies. They should point out the inadequacies of such policies and propose alternatives. The idea behind this is to provide a critical understanding of the developmental policies, which would empower people's organisations to intervene in decision-making. Sustained interventions in the area of science and technology policy and management are required if people-oriented science-society linkages are to emerge. PSM groups have periodically intervened in this direction through advocacy and campaigns. The PSM studies and articulated positions have played a significant role in nationally debated issues like nuclear disarmament, patent laws and intellectual property rights (IPRs), health and drug policies, energy and environment policies, reforms in the telecommunication and power sectors, panchayats and other decentralisation policies.
- c) Development interventions: This has been a major component of the PSMs initiatives through mass campaigns and discussions. By developing pilot models in literacy, health, agriculture, credit cooperatives, watershed development, local/panchayat level planning programmes, promotion of small enterprises and their networking, PSM groups have been able to intervene effectively in the decision-making process in several instances. These campaigns serve the purpose of people's resistance to unfair policies and highlight their demand for appropriate alternatives.

Specifically, for instance in the area of health, the interventions of PSMs have resulted in the withdrawal of a number of hazardous drugs from the market and initiation of legal action on a number of other drugs. The groups have also been active in the area of health education and more recently in decentralised health planning. A number of ongoing programmes are focused on promoting community initiatives and building effective primary health care. These programmes also aim to empower women and develop a rural women's network. A major initiative in health has been that of the TNSF called "*Arogya Iyakkam*", a programme that covers about 1,000 villages in 17 blocks all over Tamil Nadu, where a local health volunteer is trained in the basics of child nutrition, maternal and child care, first aid and preventive and curative health needs.

In the area of environment, the PSMs activities have been largely in the nature of environmental education. In developing teaching aids, the PSM has integrated comprehensively environment as one of the crucial components of the modules and resource material developed by it. Advocacy and campaigns on issues such as the Silent Valley Project in Kerala, the Bhopal gas disaster and the ongoing Narmada dam project have had considerable impact. Initiatives in the form of policy level critiques related to environmental issues during the Rio Summit, the Biodiversity Convention and the World Summit on Sustainable Development have been undertaken. An initiative of the TNSF, for instance, has been the reclamation of abandoned large water tanks across the State in order to make them usable once again. The Pondicherry Science Forum intervened effectively in the unbridled practice of aquaculture in Tamil Nadu, which was causing severe damage to the coastal ecology. This resulted in the enactment of regulatory framework. The Himachal *Gyan Vigyan Samiti* has initiated a project to study the frequent occurrence of flash floods in the state.

- d) Technology Development: PSM groups have engaged in developing and encouraging people-centered technologies that are less capital intensive and empower a large number of people, workers, craftspersons and artisans. Some examples of such initiatives are: wireless in local loop for telecommunications, the computer and village information software, bio-mass as replacement for cement/concrete in civil constructions, windmills and bio-mass based energy systems, non-chemical inputs to boost agricultural productivity, improved small-scale mechanised looms, small-scale oil presses and other food processing units, and mechanised blacksmithy.

Roughly, once every two years, the PSM groups come together at the All India People's Science Congress (AIPSC) to review their actions, interact with experts, learn from their experiences and plan ahead. The Tenth AIPSC was held in Shimla, Himachal Pradesh, in October 2003. The PSM has come a long way from merely disseminating scientific information to involving the people in advocacy, discussions and interventions in science-related policy and developmental issues. The movement has gone from strength to strength to become a vibrant mass movement with practically every State having an active people's science group. The efforts of the PSM are becoming more relevant today as the adverse impacts of liberalisation and globalisation are felt increasingly by the ordinary people and the state is gradually abdicating its responsibilities in education, employment, health and social welfare.

Reflection and Action 29.3

Some PSMs have been discussed in this unit. Find out about some more and learn about their activities and achievements. You may also visit a Block/Village and write a report about programmes initiated by the PSM there.

29.6 Some Prominent PSMs in INDIA

Let us now examine the functioning of some PSMs in India.

Kerala Sastra Sahitya Parishad (KSSP): One of the earliest groups to use science in the activist sense was KSSP. The slogan “science for social revolution” was launched by KSSP to emphasise the relationship between science and society in shaping the lives of the people. On the premise that science and technology are usually used by a minority to exploit the majority, KSSP sees science education as vesting people with the power to analyse social issues scientifically and thus inform their social action.

Public attention was focused on this movement during its fight to save the unique Silent Valley when a hydro-electric project was planned and exposed the unscientific and wasteful electricity and irrigation policies pursued in the State. It also takes part in the fight against the irrational drug formulations, harmful drugs and their high prices. KSSP is leading the fight against the Birlas’ pulp factory at Mavoor, Calicut, which is criminally polluting the air and water around.

KSSP is widely known all over India because of the very successful *Sastrakala Jatha* held every year from October 2 to November 7. The *Jatha* is a massive effort, which attracts thousands of people from all over. Science, in its broad sense, is taken to the people through the media of i) printed wordbooks, pamphlets, posters ii) arts-songs, street plays, skits, folk art, etc.

The activities of the KSSP have spread into varied fields of human endeavor. The KSSP include thousands of professionals, students, activists. KSSP relentlessly continues helping the people understand their own physical and social environment, the various forces and counter-forces present in it and thus enables them to analyse the situation for themselves.

Box 29.1

KSSP was instrumental in the success of the literacy campaign for 100% literacy in Kerala. It is a member of the All India People’s Science Network (AIPSN). It has won many awards including the 1996 Right Livelihood Award “for its major contribution to a model of development rooted in social justice and popular participation”

Tamil Nadu Science Forum (TNSF)

The TNSF is a people’s movement that has been mobilising and empowering the underprivileged to help themselves since 1980. The group was started by research scientists from IIT and IISC who soon realised that critiquing the science policy and mobilising people was not enough. They had to develop solutions that could be used by the common man. They developed alternate models in literacy, education, health, enterprises and agriculture. Through these models, it was attempted to restructure science-learning techniques.

This was followed by training teachers to use innovative teaching methods, village women to use health information, farmers to use science to improve the soil. Each district tried its own experiment on social development self-reliant saving scheme (Kanyakumari, Virudhunagar), health training programmes (Ramnad), training volunteers to provide individual advice on children’s and women’s needs, enterprises for women (Madurai), quarry contracts for women’s groups (Pudukottai), working on school dropouts (Villupuram and Guddalore), and support shelter for women victims of violence (Ramnad). A lot of experiments were conducted in these areas and those which worked started spreading.

The focus of TNSF is now on integrating and expanding ideas that they have worked on. In education these are innovative teaching method centers. These ideas are being nurtured and spread to new blocks. These programs

**Development, Displacement
and Social Movements**

reach out and save thousands of children from malnutrition, and dropping out of school, while helping lakhs of women with credit enterprise and health skills and help farmers improve the soil and the yield.

The strength of TNSF lies in its ability to campaign on larger issues while at the same time demonstrating how these ideas actually improve the lives of the poor

Medico-Friend Circle (MFC)

MFC is a group of socially conscious individuals interested in the health problems of our people. It is geared towards evolving an appropriate approach to develop a system of medical care suited to the needs of the vast majority of the population.

MFC stands for popularisation and demystification of medical science since medical knowledge has been jargonised and mystified to enhance the status of the medical profession. Since medical intervention has a curative bias, MFC draws attention to the fact that health problems on the social scale can be primarily solved by preventive and social measures carried out with the active participation of the community and for decentralisation of responsibilities whenever possible.

Reflection and Action 29.4

Science affects all of us. Using science in our daily lives to improve and raise our living standards requires a scientific outlook, education and awareness. Reflect on the contribution of PSM towards this aim.

29.7 Conclusion

A people’s movement aimed at ultimately reordering our society on rational, scientific lines requires the growth of the scientific attitude among the people. A major challenge is to fight superstition, myths, obscurantism, communalism, fatalism, etc., as they are deeply entrenched in the social fabric. At the same time, a mere rejection of these forces without understanding the socio-economic compulsions would be improper. Faced with such a dilemma in the Indian context, PSM has to steer an alternative course for progressive social transformation. It has to combine the best elements in one’s tradition and the accumulated fund of human knowledge the world over. What is to be rejected is neither “tradition” nor “modernity” but all those elements which stand in the way of human progress towards a more civilised form of social life. Such a transition will not be complete without the participation of the people. If such a participatory process has to be initiated, the absence of the scientific method and the widening gap in human knowledge has to be narrowed down. It is in this process that PSM sees its role. The dynamics of this process is such that “learning” leads to action, which in turn leads to furthering and enriching the process of understanding. The ways through which entry points this process has to be initiated will be largely dictated by one’s immediate social environment.

A counter-culture imbued with a spirit of inquiry with detached, accurate observation and experimentation would definitely be conducive to enhancing the group and the quality of people’s movement. Unless people start questioning their existing condition, try to understand the whys and hows of their problem; a people’s movement cannot achieve its aim. PSMs’ contribution would be of use in creating a spirit of lively inquiry amongst the people towards a movement for a new world.

It is explained in this unit what is people’s science movement its aims and objectives. We have also seen how this movement is emerged in some parts

of the country and spread to other parts of it. The movement attempts to elicit scientific basis to the people's day today activities and thereby make use of scientific knowledge for mass development. The expansion of the movement clearly shows the popularity and the people's acceptance of this movement. Finally the unit also looks into the activities of some major organisations, which strengthens the people's science movement through their diverse activities.

29.8 Further Readings

Bandyopadhyay, D. 1997. "People's Participation in Planning: Kerala Experiment". *In Economic and Political Weekly*. 32(39):2450-54

Bodmer, W. 1985. *The Public Understanding of Science*. Royal Society: London

Dierkes, M. and Von Grote, C. (eds) 2000. *Between Understanding and Trust: The Public, Science, and Technology*. Harwood Academic Publishers: Amsterdam

Lewenstein, B. 1992. "The meaning of 'Public Understanding of Science in the United States after World War II'. *In Public Understanding of Science* 1, 45-68



Unit 30

Civil Society Movements and Grassroots Initiatives

Contents

- 30.1 Introduction
- 30.2 Civil Society: Meanings and Dimensions
- 30.3 Civil Society as Social Movements
- 30.4 Non-Governmental Organisations as Civil Society Actors
- 30.5 Relationship Between NGOs and the Government
- 30.6 Marginalisation and the Marginalised People
- 30.7 Civil Society and Empowerment of the Marginalised
- 30.8 Civil Society Movements: A Critique
- 30.9 Conclusion
- 30.10 Further Reading

Learning Objectives

This Unit will help you examine critically:

- meanings and dimensions of civil society;
- civil society as social movements;
- non-governmental organisations (NGOs) as civil society actors;
- relationship between NGOs and the government organisations; and
- role of civil society for empowerment of marginalised.

30.1 Introduction

In Unit 1 of Book 1 of this course we have briefly talked about the emerging role of civil society in contemporary development practices. In this unit we shall be discussing in detail the meanings and dimensions of civil society; its changing role and status in developmental processes. Civil society itself has emerged as a social movement in recent years, while it has always been part of larger social movements in society. The interface between the civil society and social movement has been a subject matter of curiosity to sociologists. We shall discuss this facet of civil society in this unit. Along with the state and the people, civil society has emerged as a partner of development.

The World Development Summit 1995 emphasised the role of civil society in the empowerment of the marginalised. Here, besides discussing civil society as a social movement, this unit also analyses the role of civil society in the empowerment of the marginalised people in society. While we are discussing marginalised people, it is imperative to discuss the process of marginalisation. A small discussion on the marginalisation and empowerment of the marginalised people is also part of this unit. This unit will also provide you a critical overview of civil society's role in development.

30.2 Civil Society: Meanings and Dimensions

The term civil society is derived from the Latin word *civilis societas* which means associations or communities that work above and beyond the state. Civil society thus consists of a host of institutions that look after the activities,

which are not taken up by the state. These may relate to various religious, cultural, economic and other activities of society.

The medieval church of Europe, Hindu *Maths*, Sikh *Gurdwaras*, Muslim *Mosques*, and other religious trusts in India, caste and kinship associations, business, sports, cultural associations, etc., represent the civil society.

It is important that civil society is also referred to for its moral value and authority; as the state is more akin to an administrative unit. Civil society, in opposition to the state, lays the moral foundation of society (NSI 1996). It is in this sense that civil society has widely been viewed as an epitome not only of moral authority but also as a bastion of culture against the state, the law and capitalism. However the dimension of opposition in civil society has been in a state of flux as its relationship with the state, the market and capitalism has not always been the same everywhere and every time. However, today we tend to see civil society as the home of culture, of freedom, of independence (all good things), which enables us to rein in the state (which can do us harm if permitted) (Ibid 1996).

Importantly, Civil society has long been playing a pivotal role in influencing the state's policy on social welfare, articulating views on current issues, serving as the voice of constructive debate, providing a forum for the exchange of new ideas and information, initiating social movements by way of creating new norms, identities, institutions (Cohen and Arato 1994). Civil society is, together with the state and the market, one of the three *spheres* that interface in the making of democratic societies.

Civil society is the sphere in which social movements become organised. The organisation of civil society, which represents many diverse and sometimes contradictory social interests, is shaped to fit the social base, constituency, thematic orientations (e.g. environment, gender, human rights) and types of activity. They include church related groups, trade unions, cooperatives, service organisation, community groups and youth organisations as well as academic institutions (UNDP 1993:1). Civic involvement has always been an inseparable part of the development process of human society. In Putnam's argument, higher levels of civil involvement gives rise to "social capital" which in turn makes possible more civic involvement (Putnam 1993).

In Gramscian (1998) sense, civil society is the terrain where the state, the people and the market interact and where people wage war against the hegemony of the market and the state. The status of civil society organisations has been widely explained in terms of their relationship with the state and the market. In Tocqueville's view, civil society represents a vision of politics and democracy that is non-state centered and that has taken root in contemporary social movements and non-governmental organisations (NGOs) (Smith 2001). However to the liberals and the neo-liberals, civil society is organised around the market economy (Taylor 1990) as a non-political privatised delivery system for services such as welfare, education, healthcare, clean water and so on. In recent years there has been a phenomenal proliferation of the civil societies all over the globe. Social scientists have attributed this phenomenon to the crises in the states on the one hand and the market triumph on the other. At times the state is beset with a legitimisation deficit that destroys the conditions of its own stability, paving the way for the civil society (Chandhoke 1995).

Notwithstanding such a debate on the pro or anti State stand of civil societies or that of State failure of legitimisation crises, civil societies have been viewed as a force for democratisation, counterweights to the state and economic power and have emerged as alternative vehicles of citizens' participation at both the national and transnational levels of governance. Their activism and

initiatives have also been viewed as a movement for transformation of regional, national and global politics and economics (Edwards 2000). Many scholars, however, see the civil society beyond the state and market syndrome, as the state and the market contribute something, but not everything towards the cohesion and the dynamics of the society (Beteille 2000).

Indeed there is a need to view the civil society both as a structure (of organisation, social and political space and relationship) and also as a process (the ways in which the elements of structure come into being, and interrelate)(Blaney and Pasha 1992). In the wake of globalisation, introduction of the structural adjustment programme and paradigm shift in the social development strategy there has been an attempt to redefine the role of the state and the civil society. In the emerging scenario the emphasis has been a) on the increasing roles of the civil societies “ to take the burden off the state, by involving citizens and communities in the delivery of the collective goods” (World Bank 1997:3), and b) on “strengthening of the abilities and opportunities of civil society and local communities” to ensure the process of empowerment of the marginalised in society (UN 1995). However, in the contemporary development discourse, there has been a process of involvement of civil society organisations along with the state in the formulation and implementation of development initiatives. What have been the relationships of the civil society with the people on the one hand and the state on the other? We shall discuss this issue in the following sections of this unit. Let us begin with the relationship of civil society with social movements.

Reflections and Actions 30.1

What do you mean by civil society? Can a civil society be described independent of the existence of the state?

30.3 Civil Society as Social Movements

In the last block of MSO-004 we shall be discussing in detail various aspects of social movements and their transformation. In this section let us know very briefly what we mean by social movements and what are the relationships between social movements and civil society, initiatives or activisms. Conventionally, social movements have broadly been perceived as organised efforts to bring about changes in the thought, beliefs, values, attitudes, relationships and major institutions in society, or to resist changes in any of the above structural elements of society (H. Blumer 1976; H. Toch 1956; Habermas 1972; J.R. Gusfield 1972, J. Wilson 1972). Social movements are viewed as intended and organised collective actions based on certain defined aims, methodology for collective mobilisation, distinctive ideology, identified leadership and organisation. However, since the late 1960s, especially in the wake of the proliferation of new forms of collective protest, resistance and mobilisation, like the students, environmental, Black civil rights, women’s, etc., movements in the United States and Western Europe, efforts have been made to identify new elements in social movements. It has been widely recognised that social movements help to generate a sense of collective identity and new ideas that recognise the reality itself. And redefine modes of collective existence and Melucci (1996) has emphasised on collective identity formation. To him, social movements grow around relationships of new social identity that are voluntarily conceived “to empower” members in defense of this identity (Melucci 1996). Eyerman and Jamison (1991) highlight that:

by articulating consciousness, the social movement provides public spaces for generating new thoughts, activating new actors, generating new ideas. Thus by producing new knowledge, by reflecting on their own cognitive identity, by saying what they stand for, by challenging

the dominant assumptions of the social order, social movements develop new ideas that are fundamental to the process of human creativity. Thus social movements develop worldviews that restructure cognition, that recognise reality itself. The cognitive praxis of social movements is an important source of new social images and transformation of societal identities (Eyerman and Jamison 1991: 161-66).

Social movements are framed based on a collective identity of various groups, namely, women, environmentalists, students, peasants, workers, etc., who are organised on the basis of common identity and interests. To Allan Scott (1990), in a social movement the actor's collective identity is linked to his or her understanding of their social situation. To him "a social movement is a collective actor constituted by individuals who understand themselves to have a common interest, and at least some significant part of their social existence, a common identity" (Allan Scott 1990: 6).

However, participation in social movements may not always be for the quest of an identity; rather, it may be for the gratification of political and material interests. Tilly (1978), McAdam (1982), Tarrow (1994) and many others are of the view that social movements manifest in response to the increase in the potential political opportunities and growing receptivity of the state to the activities of the challenging groups. In general, these scholars emphasise the various resources involved in the manifestation and operationalisation of social movements. This approach, known as resource mobilisation, assumes that collective actions are related to the specific opportunity structures. Here importance is given on the rationality of human action, whereby the participants in the social movement calculate the costs and benefits of their participatory action in collective mobilisation. In this approach social movements are seen either as the creation of entrepreneurs skillful in the manipulation or mobilisation of social resources or the playing out of the social tensions and conflicts. Thus the motivation of the actors is seen as rational economic action. The resource mobilisation theory, indeed, aims to interpret those sets of social movements that are the visible parts of the American social reality in management terms. It is linked to the policy problem of containment (Tilly 1978: 47).

Civil Society and Social Movement: The Interface

In the context of globalisation or otherwise there have been claims of universality of civil societies. It is argued at one point that specific economic, social and political conditions influence the growth and functioning of the civil societies and thereby it can't be universal. On the other hand, there has been the argument that as there have been universal processes like modernisation, secularisation, democratisation, globalisations and so on, the claim of universality of civil society has emerged to be a reality. In view of the emergence of global social movements viz. human right, animal right, ecological and environmental etc. global civil society has been a reality. Phenomenal expansion of Information and Communication Technologies (ICTs) has smothered the global emergence and networking of civil societies as a social movement. In this backdrop, let us examine the interface between civil society and social movements. There are important parallels between social movements and civil society initiatives. It is rather at times pointed out that civil society initiative is a variant of social movements. Here, before we go into identifying this variant(s), we should know the parallels.

- Both social movements and civil societies are having structures like organisations, a well-identified leadership and ideology.
- Civil society initiatives and social movements are social processes, which undergo several stages of progression from mobilisation to intensive collective action.
- Both structures and the processes have support bases or bodies of followers who are mobilised through diverse means to get their objectives fulfilled.

Development, Displacement and Social Movements

- In general both social movements and civil societies pledge for change in established order of the society. However, many civil societies or social movements also well work to resist change in society. For example, many religious organisations pledge for the fundamentalist position in society.
- Both civil society and the social movement occupy a civil space in society.
- The creation of a new collective identity is an essential part both of social movements and civil societies. Collective identities are evolved either based on certain issues or ideological choices. However, identities also get reconstructed or transformed through the processes of sustained mobilisation.
- Though a good deal of moral authority and idealism are attached to civil society activism and to social movements, at times both these processes are initiated by enterprising people for the maximisation of specific interests. Here both processes are amenable to caption by the state.

However, notwithstanding these parallels, social movements are broader categories or agencies. At times social movements look for a radical change by attacking the pre-existing power structure of society, e.g., the Naxalite movement. Civil society, on the other hand, looks for gradual change within the existing arrangement. Though civil society initiatives tend to be apolitical, many a time they ask political questions and political solutions through developmental activities. Indeed in the contemporary development discourse of development with empowerment, civil society division is very much involved in the political issues at the grassroots.

Reflection and Action 30.2

Analyse the characteristic features of social movements. What are the linkages between social movements and civil societies?

30.4 Non-Governmental Organisations as Civil Society Actors

It has been pointed out in the first section of this unit that there are several manifestations of civil society. So far as the developmental activities are concerned, Non-Government Organisations (NGOs) have emerged as important civil society actors at the grassroots. Let us examine some of its features.

The non-governmental organisation or the private voluntary organisations are basically non-profit making bodies whose primary aim is to contribute to the reduction of human sufferings and the development of the poor and the marginalised groups. They are an integral part of both the national and global civil society as they include both local communities, cooperatives, church groups, trade unions, environment groups and consumer associations, women's groups, peasant leagues, as well as international organisations like Amnesty International, Oxfam, Friends of the Earth, etc. These organisations are best known for their relief, educational, lobbying, human rights, health, employment generation, and poverty reduction activities. They are growing at a very fast rate in the developing parts of the world due to the increasing disillusionment especially of the poor with the government. The market has also failed to serve the interests of these vulnerable sections of the population. As a result many hopes have been placed on the NGOs, also known as the "third sector".

NGOs are conceptualised as non-profit and non-governmental organisations. Anheier and Salaman (1999) highlight some of the common characteristics of NGOs. According to them NGOs are:

- organisations, i.e., they have an institutional presence and structure;
- private, i.e., they are institutionally separate from the state;
- non-profit distributing, i.e., they do not return profits to their managers or to a set of owners;
- self-governing, i.e., they are fundamentally in control of their own affair; and
- voluntary, i.e., membership in them is not legally required and they attract some level of voluntary contribution of time or money”.

It is significant that the element of private is to be understood in a very limited sense. It means that NGOs are neither part of the government apparatus and public administration nor are they dominated by public officials (Anheier and Salaman cf. Symthe and Smith 2003). Nor are they a private enterprise to earn profit. Indeed they have the social objective of providing selfless service to the millions, especially in those areas of activity where the state has either not been able to reach out, or has not been effective in providing service as per the local requirement and has withdrawn. At times the state has looked for collaborative arrangement with the NGOs to provide much needed service to the people, especially to the marginalised section of society.

Paul Streeten (1998), after examining the functioning of the NGOs in the developing societies, claims that NGOs have certain advantages in promoting development at the grassroots. This is mostly because of the fact that

- NGOs are good for reaching and mobilising the poor and remote communities.
- NGOs are participatory in their approach and follow a ‘bottom up’ strategy for the implementation of projects at the grassroots.
- They are more innovative, flexible and experimental than the government’s agencies.
- The NGOs’ projects are cost effective and efficient.
- The NGOs promote sustainable development.
- They are potentially organising and representative bodies in civil societies.

However, there has been a wide gap between the ideal image of NGOs and their modes of functioning at the grassroots. Indeed, the ideal-typical image of the NGOs has been widely demystified by several researchers. It has been pointed out that even though the NGOs work in the name of the poor, in effective terms they reinforce the rule of the power elite, incur a higher administrative cost, impose an autocratic, top down and non-participatory approach to development. Again, NGOs are not financially independent. As most of the NGOs flourished under a charismatic leadership or are a body of dedicated workers, many of the project, collapse with the disappearance of such leaders and workers. It has also been pointed out that NGOs have no clear-cut objectives that they suffer from the problems of sustainability, and non-replicability; and being small they reach only a few people in developing countries. They fail to reach 80% of the 1.3 billion estimated to be living in extreme poverty. Even the much publicised Grameen Bank of Bangladesh, often cited as a model NGO, accounts for only 0.15% of national credit and all NGOs in Bangladesh together provide only 0.6% of total Credit (Streeten 1998 112-113).

It is important to mention that NGOs are to work in a context and to interact with various forces. They are largely dependent on the government and the international agencies for funds. They are also to interact with the local level politicians. At times their plans and programmes are framed, modified and executed under the influence of these politicians. NGOs’ activities are also conditioned by localised culture and values of the marginalised people among

whom they are working. In the following section of this unit we shall be discussing the relationship of the NGOs with the government rather than with marginalised people.

Reflection and Action 30.3

Discuss the major features of NGOs and their advantages and disadvantages in representing the cause of downtrodden.

30.5 Relationship Between NGOs and the Government

The relationship between NGOs and the government has been rather very complex in recent years. While on the one hand there have been more and more recognition and encouragement for the NGOs' activism by the government, there have been severe criticisms of the government agencies by the NGOs for their rigid bureaucratic and traditional outlook. The government has also been trying to make the NGOs accountable to its, and to the law of the land, to ensure transparency in financial dealings, etc. The NGOs are also trying to make government officials, accountable to the people, to ensure impartial functioning of state organs at the grassroots level. However notwithstanding the contradictory position, there have been several areas of cooperation between the government and NGOs.

NGOs are mostly working on the legalised issues and on a small scale. The state policies on area development, desert development, tribal development, women's development etc., which are addressed at a local level need a vast body of local inputs and resources. The experience and the expertise of the localised NGOs usually come to help in a big way for the successful implementation of these policies. Again the NGOs also formulate innovative projects on these issues receiving expert help from government agencies (Streeten 1998). According to an estimate there are over 30,000 NGOs in India. The Indian state was initially indifferent if not hostile to NGOs' activism. The situation has changed since the Eighth Five Year Plan 1992-1997, and now the government openly encourages the participation of NGOs in development sphere (Bavaskar 2004).

However NGOs' relationship with the state has widely been dichotomous in nature. Though many of them supplement government plans and programmes, they are also simultaneously critical of government policies. Again, while on the one hand they have been defined in terms of negation of the state, on the other they have remained widely dependent on the state for funds. Policies of the NGOs are also at times guided and framed by state policies.

In recent decades there has been a process of internationalisation of NGOs' activism. While working on local and national issues, the NGOs have started getting serious attention and recognition from international agencies. At the international level, many NGOs also take part in the transnational campaign against various social evils like drug addiction, poverty, illiteracy, HIV/AIDS, child abuse, women's rights, environment protection, disarmament, violation of human rights, etc. NGOs also educate people in influencing government policies on several international issues. In the process of undertaking all these initiatives, NGOs have been part of global networking.

Over the years there has been a phenomenal growth of the transaction NGOs, with more working at the global level with larger issues. One of the reasons for such growth has been the crisis in the State caused by massive state deficits, financial crisis and economic restructuring. As the state functioning is going to be restructured along the lines of the corporate market model, and it is also withdrawing from the social sector, NGOs are emerging as important stakeholders and providers of services to the marginalised people.

In the developing countries many NGOs function by receiving funds from foreign agencies. There has also been a tendency to ignore the law of the land by these NGOs. Here serious questions are raised not only by academicians and policy planners but also by the common people on their accountability and mode of spending.

30.6 Marginalisation and the Marginalised People

In developing countries like India, civil societies like NGOs play a crucial role for the social development of the marginalised people. Again these groups of people have also developed a sense of expectations from the NGOs as the state-sponsored development initiatives have miserably failed to elevate their status in society. As discussed in an earlier section, in the contemporary development discourse, the concept of empowerment of the marginalised has got a special focus and civil society initiatives have been given an emphasis. As the role of civil society has acquired a special significance for the social development and the empowerment of the marginalised people, and it has developed a substantive relationship with them let us discuss first who are the marginalised people and how the developmental processes have contributed to their marginalisation in society.

Marginalisation in conventional parlance is a complex process of relegating specific group(s) of people to the lower or outer edge of society. It effectively pushes these groups of people to the margin of society economically, politically, culturally, and socially following the parameters of exclusion and inclusion. Sociologically there are several important dimensions of marginalisation and one is to understand it in the larger context:

Dimensions of denials and deprivations: The process of marginalisation economically denies a large section of society equal access to productive resources, avenues for the realisation of their productive human potential, and opportunities of their full capacity utilisation. These denials ultimately push these populations to the state of rampant poverty, human misery, devaluation of their work, low wage and wage discrimination, casualisation in the workforce, and livelihood insecurity. Thus they are provided with very limited space for upward occupational and social mobility, and are excluded from the range of economic opportunities and choices. Politically, this process of relegation denies these people equal access to the formal power structure and participation in the decision-making processes leading to their subordination to and dependence on the economically and politically dominant groups of society. Politically they emerge to be the underdogs, un/under represented and disempowered. In the continuous process of this relegation, they emerge to be culturally excluded from the mainstream of society becoming “part society with part culture”, “outsider for within”, “alienated and disintegrated”. They eventually get a stigmatised cultural existence, an ascribed low social status and become the victims of cultural segregation. As a consequence of the economic, political and cultural deprivation, a vast chunk of the population of the country has emerged to be socially ignorant, illiterate, uneducated and dependent. Devoid of the basic necessities of life they are relegated to live on the margins of society with a subhuman existence.

Artificial structure of hierarchy: Indeed marginalisation is a man-made and socially constructed process which is permuted and continuously reproduced on the basis of on unequal relationship of dependency and domination. In this context, even the natural differentiation between men and women, linguistic or ethnic groups and so on are put in an order of hierarchy with the guiding principle of domination and subordination. This process of creating hierarchy has arranged social groups in steep ordering of people, with a powerful few at the social and economic command deciding the mainstream of the society, polity and the economy. On the other hand, within the same arrangement the vast majority has remained powerless, occupying the bottom of the socio-economic hierarchy and surviving at the periphery of the social order.

Bases of legitimacy and reproduction: The process of marginalisation has also been historically embedded in a socio-cultural context. Significantly there are strong institutional, normative and ideological bases, steaming out of the primordial interpretation of the institutional and normative arrangements of caste, ethnicity, race, gender, patriarchy, religion and so on, to provide legitimacy to the processes of marginalisation. Again, the ongoing processes of socialisation, education, politicisation, enculturation, etc., contribute to their reproduction in society. Thus, over a period of time, the socially constructed marginalised categories tend to appear to be the empirical categories, viz., the low castes, tribes, women, blacks and so on.

Development strategy and marginalisation: The development strategies, which were implemented within the pre-existing structural arrangements of society, have not been able to bring an end to the deprivation of the marginalised groups, rather than have largely contributed to the social reproduction of marginalisation.

The *Human Development Report* 1990 highlighted ruthless, voiceless, jobless, futureless facts of development. Indeed the marginalised people have emerged to be the major victim of these processes of development. In every human society there are vulnerable sections of marginalised population who are deprived of socio-economic opportunities and choices for their minimum sustenance, and are victims of the artificial structure of hierarchy and social, cultural and political exclusion. In the Indian context, marginalised people are the rural poor, urban, slum-dwellers, manual workers in unorganised sectors, scheduled castes, tribes, women, and other such categories.

An analysis of historical facts reveals that the pre-existing arrangement of distribution of power is hierarchical in nature. This process of hierarchisation has arranged social groups in the steep ordering of people with a powerful “few” at the social and economic command, deciding the mainstream of the society, polity and the economy. On the other hand, within the same arrangement, the vast majority have remained powerless, occupying the bottom of the socio-economic hierarchy and surviving at the periphery or the margin of the social order. Here power as an enabling provision has deprived the powerless of the chance to decide the course of their lives by themselves.

As conventionally development initiatives were implemented through the pre-existing institutional arrangements of society, the marginalised people had very little or no participation in those developmental activities. Again, those initiatives were channelled through the pre-existing power structure. The systemic arrangements have not only legitimised the process of their subordination and deprivation in society through several means, but also contributed to the process of reproduction of this inequality and social construction of marginalisation. Thus the process of marginalisation has remained historically imbedded, notwithstanding the state sponsored initiatives implemented for the upward mobility of the marginalised groups. As against this backdrop, there has been serious rethinking for the participation of the marginalised people in development. As the welfare or emancipation approach of the state has failed to integrate the marginalised people in the development process, an alternative has emerged to evolve the strategy for empowerment of the marginalised people. Let us explain in the next section what we mean by empowerment.

30.7 Civil Society and Empowerment of the Marginalised

Empowerment is a political process. Before we go into conceptualising empowerment, it is necessary to develop an understanding of the following interrelated dimensions of this process.

Dimensions of Legitimacy of Power: The centrality of the notion of empowerment is located in the dynamics of sharing, distribution and redistribution of power, which has a basis of legitimacy. In the sociological sense of Max Weber, power is one's capacity to have control over others; and as such, when this capacity to control is legitimised, it becomes authority (Julien 1968). Indeed the logic of empowerment essentially involves the dynamics of authority. While one talks of the process of distribution/redistribution of authority or in that sense legitimised power, one naturally questions not only the bases of legitimacy for the authority, but also the societal arrangements through which power relations are operated. Following the same logic, powerlessness has also been legitimised within the given social order. Hence empowerment will mean a process of distribution of power through legitimised means.

Context of Use: While talking of authority (legitimised power) as the accompaniment of empowerment, James Herrick (1995) points out that authority in general is used in the following contexts: a) regulatory, based on one's formal position and status in relation to others; b) expert knowledge, where the expert may possess the power to define ordinary people or to withhold knowledge from those whose well-being is affected by it; and c) relationship ability or interpersonal skills, where power comes from interpersonal influence based on abilities to work with people. In human society, however everybody has no equal authority as people have unequal access to the resources that determine power. Indeed, those who have power are those who have control over material resources, knowledge and ideology. Hence the process of gaining control over self, ideology, material and knowledge resources, which determine power, may be termed empowerment (*Batliwala* 1993). Thus the process of gaining control over resources is to be seen within the given context of devisal deprivation, structure of hierarchy and the process of legitimisation and reproduction. Indeed the process of empowerment endeavours to construct an alternative context for equal access to the resources that determine power.

Dynamics of Power Relations: The meaning of power in empowerment practice needs to be examined in terms of power relations. First, that there should be the ability to exercise power in a given context as having power is not the same as exercising it. Second, the exercise of power takes in the objective reality of empowerment – the structural conditions that affect the allocation of power; seizing or creating opportunities in the environment, changing structural conditions. Third, power relations can be symmetrical or asymmetrical. Relations of symmetry are those where relatively equal amounts and type of power and authority are exercised and are based on reciprocity. Relations of asymmetry are those involving unequal amount and types of authority and are those of subordination and super-ordination. It is the latter case - power relations of asymmetry, which we suggest is the major stage for empowerment practice (Heller cf. *Herrick* 1995).

Principle of Change and Transformation: The process of empowerment challenges the power structures of subordination. In the words of *Sen and Crown* (1988) empowerment is concerned with the transformation of the structure of subordination. It implies a process of redistribution of power within and between families/societies (or systems) and a process aiming at social equality, which can be achieved only by disempowering some structures, systems and institutions. To Sharma it is having a specific focus for the disadvantaged sections (Sharma 1992: 29). The processes of demolition of the pre-existing structure of subordination and redistribution of power, however, are not automatic. These also involve participatory approaches that enable people to emancipate themselves (Konenburg 1986: 229), a process of the creation of new knowledge (*Colin* 1990), a process of conscientisation (Freire 1972) and new identity formation with alternative sensibility. Indeed the process of empowerment is a social movement that looks for a radical change in the systemic arrangements of society (SinghRoy 1995). Hence empowerment is

viewed not as an end in itself, but as a means to an end — a strategy to bring liberation from all domination. Liberation from all domination, to Freire, is the fundamental theme of this epoch. This liberation is not a mechanical process but the critical thinking of the socio-historical reality of the life; ability to intervene in reality with a commitment is the harbingers of liberation. To quote Freire:

Men emerge from their submersion and acquire the ability to intervene in reality, as it is unveiled. Intervention represents a step forward from emergence, and results from the conscientisation of the situation. Conscientisation is the deepening of the attitude of awareness characteristics of all emergences. By achieving awareness they come to perceive reality differently (*Freire 1972: 81-85*).

In developing countries like India, development practices were geared towards “growth with stability”. In the fifties and early sixties with the basic thrust being for industrialisation, agricultural modernisation and expansion of infrastructure, education and mass communication. However in the backdrop of imbalanced economic development, increased class inequality, gender segregation and sharp downward mobility of a vast section of the population along with increased levels of poverty, illiteracy and ill health, development policy was reoriented in India in the early seventies to incorporate the philosophy of “social justice” in the development discourse. This reorientation of “development with justice” envisaged strategies to integrate the hitherto neglected “underprivileged”, “weaker sections”, “deprived and marginalised groups” into the mainstream of society by providing various state-sponsored economic (employment, access to productive resources, etc.) and social (education, training, healthcare, water, housing, etc.) benefits to them.

The development practice in India has been reoriented once again since the mid-eighties to associate the notion of empowerment with “development”. This reorientation aims at ensuring the basic necessities of life to the people “by sharing power” with them through institutionalised means, i.e., laws, legal procedures and international obligation. The significant point of departure here is that while the earlier discourses saw the poor people as “beneficiaries”, the emergent one has recognised them as “partners of development”. Accordingly there has been a new coinage of the term “social/human development” since the mid-eighties with the recognition that the “human person is the central subject of development” (United Nations 1985). The context of this reorientation, however, has been globalisation and the structural adjustment programme that implicitly or explicitly looks for the reduction of state expenditure in the social sector - health, education, food security and other basic needs — and the encouragement of privatisation. Thus the state has emerged as “central to economic and social development not as a direct provider of growth, but as a partner, catalyst and facilitator” (World Bank 1997).

In this context, it is essential to examine the recommendation of the World Development Summit, 1995 which talks about “people initiatives”, “people empowerment” and “strengthening capacities of the people”. Regarding the objectives of development, it specifically mentions that:

empowering people, particularly women, to strengthen their capacities is the main objective of development and its principal resource. Empowerment requires the full participation of people in the formulation, implementation and evaluation of decisions determining the functioning and well-being of our societies. To ensure full participation of the people, it is pointed out that the state should provide “a stable legal framework” in accordance with the constitutions, laws and procedures consistent with international law and obligation; which promotes, among with other things, the encouragement of “partnership with free and representative organisations of civil society, strengthening of the abilities and opportunities of civil society and local communities to develop their own organisations, resources and activities (UN 1995).

It is in relation to the above that the World Development Report, 1997, emphasised the need on for effective role of the state for social and economic development, but in a new form. It writes:

the state is central to economic and social development, not as a direct provider for growth but as a partner, catalyst and a facilitator ... the world is changing, and with its our ideas about the state's role in economic and social development (World Bank 1997: 1).

In view of the collapse of the command and control economies, fiscal crises of the welfare states, explosion in humanitarian emergencies in several parts of the world, growing lack of confidence in governance among the marginalised groups, endemic corruption within the system, increase in poverty and various dramatic events, especially technological change in the world economy on the one hand and the growing discontent of the people, manifestation of grassroots mobilisation and increasing pressure of the civil society on the other, a redefinition of the state's responsibilities has been evolved as a strategy of the solution of some of these problems. According to the World Bank:

This will include strategic selection of the collective actions that states will try to promote, coupled with greater efforts to take the burden off the state, by involving citizens and communities in the delivery of the collective goods ... for human welfare to be advanced, the state's capacity - defined as the ability to undertake or promote collective actions efficiently, must be increased (ibid: 3).

It is apparent that within the given perspectives of the “stable legal framework”, “strategic selection of collective action” (i.e., co-option of grassroots mobilisation) by the state, possible partnership of the state with civil society and state-sponsored initiatives of civil society to have their own organisation, the following three important dimensions have emerged very clearly: a) all initiatives for the empowerment of marginalised groups should be in accordance with the prescribed rule of the land; b) the state will selectively co-opt people's initiatives as and when required, and c) the non-government organisations (NGOs) would acquire a significant role to take the burden off the state for the empowerment of the marginalised.

Reflection and Action 30.4

Examine the role of civil society in empowering the marginalised in our society

The NGOs are claimed to have emerged as equal partners in development along with the state in most parts of the developing world. There is no denying the fact that a small section of NGOs have done substantive work for the social development and empowerment of marginalised groups, opting for various innovative alternative channels of development. The efforts of the Self-employed Women's Association (SEWA), Ahmedabad, and the Bankura Project of the Centre for Women Development Studies (CWDS), New Delhi, may be cited as examples here. However, the experiences of SEWA, CWDS and a few such other institutions do not represent the whole story of NGOs' activism in India. A good section of the NGOs in India have emerged to be the “state in disguise” in many parts of the country mostly because of their hierarchical and bureaucratic structures and style of functioning, conventional outlooks, lack of dynamism and inability to generate a community of “change agents” from among the marginalised people. They mostly produce stereotypes and contribute to the prevailing power structure. Though most NGOs start with the promise of inculcating the “culture of change agents” through their interventions to break the age-old structure of subordination and marginalisation, in actual practice they end up inculcating the culture of “target group” beneficiaries who are passive recipients of benefits of various development schemes. Because of their dependency on the state for funds and other resources, they reinforce the state structure and in turn the various

structures of subordination of marginalised groups. Mr Ashis Kumar, activist of a prominent NGO, articulates his frustration:

It is impossible to act as a change agent or to create a “community of change agents” within the given complexities of our society. The donor agencies have their specific expectations; you are to get your money channelised through government and bureaucracy. You are to negotiate at every stage. At the local level there are power dynamics - you are to accommodate their interest. At the grassroots you are to meet the immediate needs of the people. As an organisation we are to survive within the system.... Indeed we are to compromise at every stage as survival strategy. We are however, sure of one point very clearly that if we can survive within these processes, we can contribute to empowerment of the people by not creating alternatives, but by subscribing to the ongoing processes (cf. SinghaRoy 2001).

30.8 Civil Society Movements: A Critique

Though the NGOs begin with the philosophy of negation of governmental initiatives, they are guided by the economic and social policies of the government. In a system of structural dependency on the state, the NGOs without a committed manpower will provide only a limited space for the creation of alternatives. Many NGOs have even proved their inability to fulfill their commitment to the state. It was in 1996 that Central of Council for Advancement of Peoples Action and Rural Technology (CAPARD) blacklisted around 150 NGOs for not fulfilling their commitment. Though the process of proliferation of NGOs has been very sharp in recent years, their disappearance from the public scene has also been conspicuously marked. To whom are they accountable? To the state? To the people? In a scenario where the NGOs have been unable to either inculcate the culture of “change agents” or to form a new collective identity of marginalised groups at a substantive scale, it is very doubtful whether NGO activism will alone pave the way for the empowerment of marginalised groups. However notwithstanding all the criticisms and limitations, there is no denying of the fact that civil societies have been able to initiate a process of mobilisation at the grassroots. Historical evidence shows that such changes in the pre-existing power structure are possible only through sustained grassroots mobilisations, social movements, selfless interventions of civil societies (NGOs, people’s cooperatives and progressive institutions) and well-articulated alternative policy formulations and their execution with a political commitment for the redressal of power imbalances at the grassroots. After all, the marginalised people cannot stand in isolation on an unequal footing compared with the state (SinghaRoy 2001). Collective mobilisation as a long-term political investment will pave the way for the empowerment of the marginalised. Hence there is a need to view civil society activism not with a vote of negation but constructive criticality.

30.9 Conclusion

In this unit we discussed the role of civil society in the development and empowerment of the marginalised groups in society. In the early part of this unit we discussed the meanings and dimensions of the civil societies and their linkage with social movements. The significance of the NGOs as civil society actors, their relationship with the state and the marginalised people are discussed in detail. In the context of the emerging discourse on “development with empowerment”, the significance of civil societies is critically examined. The unit concludes that as the civil societies have emerged to be an important partner of development along with the state and the people, their roles are to be seen very critically.

30.10 Further Reading

Critique of Knowledge
Society

SigshaRoy, D.K. 2003(rpt). *Social Development and the Empowerment of the Marginalised: Perspectives and Strategies*. Sage Publication: New Delhi

Streten, P. 1998. "The Contribution of Non-Governmental Organisations to Development". In *Political Economy Journal of India*. Vol-6 No.2: 111-21



Glossary

Adult Education: Adult education is the practice of teaching and educating adults. It includes organised public educational programs, other than regular full-time and summer elementary and secondary day school that provide opportunities for adult and out-of-school youth who have not graduated to further their education. This is often done in the workplace, or through 'extension' or 'continuing education' courses at secondary schools, or at a college or university or as evening classes.

Agronomists: Agronomists are soils specialists who conduct research in everything from the very basic to the applied issues of soil and water management and land use to improve quality and yield of crops. They study interactions among plants, soils, and the environment. They use sophisticated research tools and techniques to develop new crop hybrids and varieties that grow more efficiently and are more beneficial to society. Agronomists research ways to produce crops and turf, and ways to manage soils in the most environmental friendly way.

Bandwidth: The data transfer capacity of a telecommunications channel, usually expressed in terms of the number of bits per second that can be transmitted (a bit being one unit of information). Narrow bandwidth would correspond to a dial-up modem with 2400 to 56,000 bits per second while broadband can extend to more than 10,000 times this rate.

Biodiversity: Organisms are organised at many levels, ranging from complete ecosystems to the biochemical structures that are the molecular basis of heredity. Biodiversity means the number and variety of different organisms in the ecological complexes in which they naturally occur. A large number of species signifies a healthy atmosphere and characterises the food chain, representing multiple predator-prey relationships.

Biopiracy: Biopiracy refers to the privatisation and unauthorised use of biological resources by entities including corporations, etc. outside of a country, which has pre-existing knowledge. It also means the smuggling of diverse forms of flora and fauna, and the appropriation and monopolisation of traditional population's knowledge and biological resources. Biopiracy causes the loss of control of traditional populations over their resources. Particular activities covered by the term are a) exclusive commercial rights to plants, animals, organs, microorganisms, and genes b) commercialisation of traditional communities' knowledge on biological resources, c) patenting of biological resources.

Broadband Networks: Broadband is a high-speed data transmission capability. It has a transmission speed in excess of 256,000 bits per second in both directions. The term is commonly used to refer to Internet access via cable modems, DSL (JetStream, for example) and increasingly, wireless technologies (WiFi).

Casualisation of Labour: This means expansion of casual/informal employment, which means part-time or temporary or contract employment. They may have to work with minimum wage with no social security cover and trade unionism to raise their work related issues. Casual workers excluded from many of the benefits enjoyed by ongoing, and fixed-term employees, such as legislative protections against unfair dismissal, job security etc.

Counter-culture: In sociology, counterculture is a term used to describe a cultural group whose values and norms are at odds with those of the social mainstream, a cultural equivalent of a political opposition.

Cultural Barriers: Events or occurrences based on culture that create communication problems between individuals from different cultural backgrounds.

Cyberspace: It describes the world of connected computers and the society that gathers around them. The term was coined by author William Gibson in his 1984 novel *Neuromancer*. Cyberspace is now used to describe all of the information available through computer networks and it is commonly known as the Internet.

De-industrialisation: Generally refers to an absolute decline in industrial output or employment rather than simply a decline relative to other sectors of the economy.

De-territorialisation: Some scholars define globalisation in terms of deterritorialisation. For them it is process that entails a reconfiguration of geography, so that social space is no longer mapped in terms of territorial places, territorial distances, or territorial borders (Scholte 2000). Global relations, becomes trans-border exchanges without distance. Such relations are becoming more significant as communication and production increasingly occur without regard to geographic constraints. Transborder organisations of many kinds proliferate, and more people become aware of the world as a single whole.

Devaluation of Currency: Devaluation means the official lowering of the value of one country's currency in terms of one or more foreign currencies as a result of deliberate government action. This also means a reduction in a country's official rate at which one currency is traded for another. Devaluation makes a country's exports cheaper abroad by reducing their prices in terms of foreign currencies and makes imports more expensive by raising their prices in terms of the home currency. Devaluation can provide a short-term boost to an economy encountering balance of payments imbalances, by altering its price competitiveness, but generally has inflationary consequences.

Development Induced Displacement: Development-induced displacement is the forcing of communities and individuals out of their homes, often also their homelands, for the purposes of economic development projects. It is a subset of forced migration. It has been historically associated with the construction of dams for hydroelectric power and irrigation purposes but also appears due to many other development activities, such as mining, infrastructure development etc.

Digital Divide: The term digital divide was coined in the 1990s to describe the perceived growing gap between those who have access to and the skills to use ICT and those who, for socio-economic and/or geographical location, age, gender, culture have limited or no access. There was a particular concern that ICT would exacerbate existing inequalities.

Digitisation: Digitisation generally refers to the process of converting data and information in paper, analog sound tracks, graphics, etc. into binary coded files for the purpose of computer storage and manipulation.

Disinvestment: Disinvestments was a term first used in the 1980s, most commonly in the United States, to refer to the use of a concerted economic boycott designed to pressure the government of South Africa into abolishing its policy of apartheid, which was still in force at that time. In India since 1991 the term is applied to the privatisation of State-held assets by selling out equities.

Drip Irrigation: This is a water-conserving irrigation system where a system of tubes with small holes allow water to drip out onto the root zone of plants. This method results in very little evaporation or runoff, saving water by directing it more precisely, reduced transmission of pathogens, and fewer weeds.

Electronic mail: More often called E-Mail. This is a communication that requires an electronic device for storage and/or transmission. E-mail is a fast, easy, and inexpensive way to communicate with individuals or groups on networked computers and computers equipped for Internet access. Besides basic correspondence, with some systems you can attach and send documents and other files.

Fiscal Deficit: Fiscal deficit is the gap between the government's total spending and the sum of its revenue receipts and non-debt capital receipts. It represents the total amount of borrowed funds required by the government to completely meet its expenditure.

Foreign Exchange Reserve or Forex Reserve: **Forex** is the market where one currency is traded for another. It is one of the largest markets in the world. Foreign exchange are counted in US dollars. India's "forex reserves" recently passed the 100 billion US\$ mark. India has built up this reserve after an unpleasant incident in the early 1990s, when the country's gold reserve had to be pledged because of a balance of payments crisis.

Fossil Fuel Power: Power generated from coal, oil or natural gas that result from the fossilisation of ancient plants or animals. Fossil fuels are the remains of plant and animal life that are used to provide energy by combustion which are produced by the decomposition of ancient (fossilized) plants and animals. These fuels have taken millions of years to form.

Genetic Diversity: Genetic diversity is heritable variation within and between populations of species. This is a property of a community of organisms of a certain species, in which members of the community have variations in their chromosomes due to a large number of slightly dissimilar ancestors; this property makes the community in general more resistant to diseases or to changing ecological conditions.

Genetic Engineering: This is the technique of removing, modifying, or adding genes to a DNA molecule in order to change the information it contains. By changing this information, genetic engineering changes the type or amount of proteins an organism is capable of producing, thus enabling it to make new substances or perform new functions.

Genetic Pollution: Uncontrolled escape of genetic information into the genomes of organisms in the environment where those genes never existed before. This also means the unintended transfer of genetic material from a genetically engineered organism to one that is not genetically engineered.

Development, Displacement and Social Movements

Human Capital: The stock of knowledge and skill, embodied in an individual as a result of education, training, and experience, that makes them more productive enable them to derive economic benefits from that. It is the stock of knowledge and skill embodied in the population of an economy. Human capital can be acquired formally, for example through schooling, or informally, for example through on-the-job learning.

Hydraulic System: A system designed to transmit power through a liquid medium, permitting multiplication of force in accordance with Pascal's law, which states that "a pressure exerted on a confined liquid is transmitted undiminished in all directions and acts with equal force on all equal areas." It is a mechanism operated by the resistance offered or the pressure transmitted when a liquid is forced through a small opening or tube.

Indigenous Knowledge: Indigenous knowledge refers to the knowledge belonging to a specific ethnic group, which is unique to a given culture or society. It is the basis for local-level decision-making in agriculture, health care, food preparation, education, natural resource management, and a host of other activities in rural communities. Indigenous information systems are dynamic, and are continually influenced by internal creativity and experimentation as well as by contact with external systems. It is the knowledge that people in a given community have developed over time, and continue to develop. It is based on experience, often tested over centuries of use, adapted to local culture and environment.

Inflation: The rise in price of goods and services, or Consumer Price Index (CPI), when too much money chases too few goods on the market. Moderate inflation is a result of economic growth. Hyperinflation (rising at rates of 100% or more annually) causes people to lose confidence in their economy and put their money in hard assets such as gold and real estate.

Information Processing: Organisations need to process a rapidly growing amount of information. Information processing is the process by which data are handled and stored to ensure the smooth and efficient handling of information. By typing text, entering data into a computer, operating a variety of office machines etc. all grouped into information processing. Those who engaged in information processing jobs are often called as word processors, typists, and data entry keyers, electronic data processors, keypunch technicians, or transcribers.

Intellectual Capital: Is the possession of the knowledge, applied experience, and professional skills which when properly motivated, translated into customer relationships and can provide the organisation with a competitive edge in the marketplace.

Intellectual Property: Intellectual properties are creation of the intellect that has commercial value, including copyrighted property such as literary or artistic works, and ideational property, such as patents, appellations of origin, business methods, and industrial processes. The term often used to refer generically to property rights created through intellectual and/or discovery efforts of a creator that are generally protectable under patent, trademark, copyright, trade secret, trade dress or other law.

As defined by Article 2, section (viii), of the Convention Establishing the World Intellectual Property Organisation, done at Stockholm, July 14, 1967, "intellectual property" shall include the rights relating to: literary, artistic and scientific works, performances of performing artists, phonograms, and broadcasts, inventions in all fields of human endeavor, scientific discoveries, industrial designs, trademarks, service marks, and commercial names and designations, protection against unfair competition, and all other rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields.

Liberalisation: In international terms liberalisation means trade between nations without protective customs tariffs or free trade. This implies trade or commerce carried on without such restrictions as import duties, export bounties, domestic production subsidies, trade quotas, or import licenses. Internal trade liberalisation means loosening of government restrictions in trade related aspects.

Life-long Learning: A continuum of the learning process that takes place at all levels - formal, non-formal and informal - utilising various modalities such as distance learning and conventional learning. This is a broad concept where education that is flexible, diverse and available at different times and places is pursued throughout life.

Livelihood Opportunities: A livelihood comprises the capabilities, assets (stores, resources, claims and access) and activities required for a means of living. The five types of capital asset that comprise a livelihood are financial, physical, natural, social, and human.

Modernisation: Modernisation implies an approach toward the institutions, structures, and values of Western society. Historically modernisation is the process of change toward those types of social, economic and political systems that have developed in Western Europe and

North America from the seventeenth century to the nineteenth and have then spread to other European countries and in the nineteenth and twentieth centuries to the South American, Asian, and African continents (Eisenstadt, S. M. 1966). Generally, the classical modernisation means the historical process of the great changes of the transformation from traditional agricultural to the modern industrial society since the industrial revolution in 18th century.

Molecular Biology: This is a field of biology that studies the molecular level of organization, which means the study of the structure, function, and makeup of biologically important molecules. It studies the molecular basis of life including the biochemistry of molecules such as DNA/RNA and proteins and the molecular structure and function of the various parts of living cells.

Monopoly: Monopoly means exclusive control or possession of something. In economics, a monopoly is defined as a persistent market situation where there is only one provider of a kind of product or service. Monopolies are characterised by a lack of economic competition for the good or service that they provide and a lack of viable substitute goods.

Neo-classical Economics: Neoclassical economics refers to a general approach to economics based on supply and demand, which depends on individuals (or any economic agent) operating rationally, each seeking to maximize their individual utility or profit by making choices based on available information. Mainstream economics is largely neoclassical in its assumptions. There have been many critiques of neoclassical economics, both from within orthodox economics, and from outside of it, and often these critiques have been incorporated into new versions of neoclassical theory.

Network Society: The term Network Society was coined by Manuel Castells as part of his extensive analysis of modern society. The network society goes further than the information society that is often proclaimed. Castells argues that it is not purely the technology that defines modern societies, but also cultural, economical and political factors that make the network society.

Paradigm Shift: A complete change in thinking or belief systems that allows the creation of a new condition previously thought impossible or unacceptable. It just does not happen but rather driven by changes. A paradigm shift is the term first used by Thomas Kuhn in his famous 1962 book *The Structure of Scientific Revolutions* to describe the process and result of a change in basic assumptions within the ruling theory of science. It has since become widely applied to many other realms of human experience as well. Presently agents of change are driving a new paradigm shift. The signs are all around us. For example, the introduction of the personal computer and the Internet has impacted both personal and business environments, and is a catalyst for a Paradigm Shift. We are shifting from a mechanistic, manufacturing, industrial society to an organic, service based, information centered society, and increases in technology will continue to impact globally. Change is inevitable. It's the only true constant.

Patent: A patent is a set of exclusive rights granted by a government to a person the sole right to make, use and sell, for a fixed period of time in exchange for the regulated, public disclosure of certain details of an invention. The person applying for a patent does not need to be the inventor who created or authored the invention. Many audio and video technologies are covered by patents.

Privatisation: Privatisation is the process of transferring property, from public ownership to private ownership and/or transferring the management of a service or activity from the government to the private sector.

Radioactive Wastes: Radioactive by-products from the operation of a nuclear reactor or from the reprocessing of depleted nuclear waste.

Renewable Energy Resources: Resources that are continually being renewed and replenished and are unlikely to run out. They include solar energy, hydropower, wind, waves and tides. Renewable energy and energy efficiency technologies are key to creating a clean energy future. Most renewable energy comes either directly or indirectly from the sun. Sunlight, or solar energy, can be used directly for heating and lighting homes and other buildings, for generating electricity, and for hot water heating, solar cooling, and a variety of commercial and industrial uses.

Scientific Information: These are Factual inputs, data, models, analyses, technical information, or scientific assessments based on scientific data. This includes any communication or representation of knowledge such as facts or data, in any medium or form, including textual, numerical, graphic, cartographic, narrative, or audiovisual forms

**Development, Displacement
and Social Movements**

Service Economy: The service economy consists of all those economic activities not involved in the production and processing of goods and energy. Service economy can refer to one or both of two recent economic developments. One is the increased importance of the service sector in industrialised economies. Services now account for a higher percentage of GDP than just 20 years ago.

Social Exclusion: This is a term to describe marginalisation from employment, income, social networks such as family, neighbourhood and community, decision making and from an adequate quality of life, the various ways in which people are excluded (economically, politically, socially, culturally) from the accepted norms within a society.

Social Sector: Social sector of an economy includes those areas where any investment may not gain financial returns. Social sector investments lead to the accumulation of human and social capital in a society. Social sector mainly includes poverty eradication, employment generation, education, health, water supply, sanitation, housing, slum development, social welfare and nutrition, rural employment and minimum basic services.

Staple Food: A staple food is a basic but nutritious food that forms the basis of a traditional diet, particularly that of the poor. Although nutritious, staple foods generally do not by themselves provide a full range of nutrients, so other foods need to be added to the diet to prevent malnutrition. Staple foods vary from place to place, but are usually of vegetable origin, from cereals, pulses, corn, rice, millets and plants growing starchy roots.

Symbolic Analysts: Symbolic analysts solve, identify, and broker problems by manipulating symbols. They simplify reality into abstract images that can be rearranged, juggled, experimented with, communicated to other specialists, and then, eventually, transformed back into reality. The manipulations are done with analytic tools, sharpened by experience. These tools may be mathematical algorithms, legal arguments, financial gimmicks, scientific principles, psychological insights about how to persuade or to amuse, systems of induction or deduction, or any other set of techniques for doing conceptual puzzles (Robert B. Reich 1991).

Trade Deficit: Trade deficit is an excess of imports over exports. Trade Surplus is an excess of exports over imports. Balance of trade means both surplus or deficit. The Balance of trade is made up of transactions in merchandise and other movable goods. Balance of trade figures are the sum of the money gained by a given economy by selling exports, minus the cost of buying imports.

Trade Secrets: A trade secret is a confidential practice, method, process, design, or other information used by a company to compete with other businesses. It is also referred to in some jurisdictions as confidential information.

Vicious Cycle: A Vicious cycle is a cycle in which one problem leads to another, which in turn aggravates the first problem. For example poverty. A poor person may not be able to invest in the education of their children or to provide enough economic support this may in turn lead to the poverty of the younger generation also.

Water Conservation: Water conservation means the care, preservation, protection, and wise use of water with methods ranging from more efficient practices in farm, home and industry to capturing water for use through water storage or conservation projects etc.

World Wide Web (WWW): A hypermedia-based system for browsing Internet sites. It is named the Web because it is made of many sites linked together; users can travel from one site to another by clicking on hyperlinks. The World Wide Web is a portion of the Internet comprised of a constellation of networked resources. Its Internet servers utilise HTTP to transfer documents and multimedia files formatted in hypertext markup language (HTML). Not all servers on the Internet are part of the World Wide Web.

References

- Abraham**, Biju Paul 2000. "The Emerging Patents and Intellectual Property Rights Regime: Implications for Indian Economy". In Purushottam Battacharya and Ajitava Roy Chaudhuri (ed.) *Globalisation and India: A Multidimensional Perspective*. Lancers Books: New Delhi
- Acharya**, S. 2001. *India's Macroeconomic Management In The Nineties*. Indian Council for Research on International Economic Relations: New Delhi
- Anderson**, Benedict 1983. *Imagined Communities: Reflections on the Origin and Spread of Nationalism*. Verso: New York
- APEC** Economic Committee 2000. *Towards Knowledge-based Economies in APEC*. **APEC** Secretariat: Singapore <http://www.apecsec.org>
- Australian Council of Trade Unions** 1994. *Green Jobs Industry*. Australian Conservation Foundation: Australia
- Balakrishnan**, N. 2001. "Information and Communication Technologies and the Digital Divide in the Third World Countries". In *Current Science*. 81(8): 966-972
- Balakrishnan**, P. 1996. "The Current Macroeconomic Stabilisation Programme and the Indian Economy." In M. Chattopadhyay, P. Maiti and Rakshit (ed.) *Planning and Economic Policy in India*. Sage Publications: New Delhi
- Bandyopadhyay**, D. 1997. "People's Participation in Planning: Kerala experiment" In *Economic and Political Weekly* 32(39): 2450-54
- Banerji**, Arun Kumar 2000. "Adjusting to the process of Change: India and Globalisation". In Purushottam Battacharya and Ajitava Roy Chaudhuri (ed.) *Globalisation and India: A Multidimensional Perspective*. Lancers Books: New Delhi
- Bardhan**, P. 2001. "Social Justice in Global Economy". *Economic and Political Weekly*. February 3-10
- Bardhan**, P. 2003. *Poverty, Agrarian Structure, and Political Economy in India*. Oxford University Press: New Delhi
- Barrett**, M. 1998. *Women's Opression Today*. Verso: London
- Batliwala**, S. 1993. *Empowerment of Women in South Asia: Concepts and Practices*. ASSBAF and FAO Freedom from hunger campaign, Action and Development: New Delhi
- Baxi**, Upendra 1992. *Globalisation - A World Without Alternatives*. Sare Economists: New Delhi
- Bedi**, Arjun. S. 1999. "The Role of Information and Communication Technologies in Economic Development: A Partial survey". Paper presented at the Global Development Network Meeting, Bonn
- Bell**, Daniel 1976. *The Coming of Postindustrial Society: A Venture in Social Science Forecasting*. Basic Books: New York
- Beteille**, Andre 2000. *Antinomies of Society: Essays on Ideologies and Institutions*. Oxford University Press: New Delhi
- Beyer**, Peter F. 2003. "Four Approaches to Globalisation". In Robertson R. and Kathleen E. White (ed.) *Globalization Critical Concepts in Sociology*. Routledge: London
- Blaney**, D. L., and Pasha, M.K. 1993. "Civil Society and Democracy in the Third World: Ambiguities and Historical Possibilities". In *Studies in Comparative International Development*. Vol. 28, No. 1: 3-24
- Bloustein**, S. etal 1992. *An Assessment of the Chemical Industry's Commitment to the Principles of Community Right to Know*. RMIT: Melbourne
- Blumer**, H. 1951. "Social Movement". In A.N. Less (ed.) *New Outlines of Principles of Society*. Barnes and Noble: New York
- Bodmer**, W. 1985. *The Public Understanding of Science*. Royal Society: London
- Boshier**, R.W. et al. 1997. "Best and Worst-dressed Web Courses: Strutting into the Future in Comfort and Style". In *Distance Education*. 18, 1: 327-349
- Boyd Barrett**, O. (1998). "Media Imperialism Reformulate". In D. K. Thussu, (ed.) *Electronic Empires: Global Media and Local Resistance*. Arnold: London
- Bresser**, Pereira and Luiz, Carlos 1996. *Economic Crisis and State Reforms in Brazil. Towards a New Interpretation of Latin America*. Lynne Rienner: Boulder and London

**Development, Displacement
and Social Movements**

- Brian**, Pinto and Farah, Zahir 2004. *Why Fiscal Adjustment Now*. World Bank Policy Research Working Paper No. 3230 March
- Buggi**, C., Reddy, S. and Gowda, G. 2001. "Impact of Globalisation on Agrarian Class Structure. Its implications for Indian villages". In *Third Concept*. January p 17-19
- Burns**, E. Bradford 1993. *A History of Brazil*. Columbia University Press: Columbia
- Bush**, Stephen 1993. "Indigenous Knowledge of Biological Resources: The Role of Anthropology". In *American Anthropology*. 95(3): 653-686
- Byres** (ed.) 1998 *The Indian Economy: Major Debates Since Independence*. Oxford University Press: New Delhi
- Cable**, Vincent 1999. *Globalisation and Global Governance*. The Royal Institute of International Affairs: London
- Castells**, M. **2001**. *The Internet Galaxy: Reflections on the Internet, Business, and Society*. Oxford University Press: New York
- Castells**, M. 1998. *The Information Age: Economy, Society and Culture. Vol.1 The Rise of Network Society*. Blackwell Publishers: London
- Chadha**, G.K. and P.P. Sahu 2002. "Setbacks in Rural Employment: Issues for Further Scrutiny". In *Economic and Political Weekly*. May 25
- Chand**, Ramesh 1999. Emerging Crisis in Punjab Agriculture: Severity and Options for future. In *Economic and Political Weekly*. March 27
- Chanda**, R. 2002. *GATS and Its Implications for Developing Countries: Key Issues and Concerns*. Department of Economic and Social affairs. United Nations: New York
- Chandhoke**, Neera 1995 *State and Civil Society: Explorations in Political Theory*. Sage: New Delhi
- Cohen**, Jean L. and Andrew Arato 1994. *Civil Society and Political Theory*. The MIT Press: Cambridge
- Coicaud**, Jean Marc and Veijo, Heiskanen (ed.) 2001. *The Legitimacy of International Organisations*. University Press: Tokyo
- Correa**, Carlos M. 2000. Intellectual Property Rights, the WTO and Developing Countries: The TRIPs Agreement and Policy Options. Third World Network: Penang
- Crede**, Andrews and Robin Mansell 1998. *Knowledge Societies in a Nutshell: Information Technology for Sustainable Development*. IDRC: Canada
- Curran**, J. and Gurevitch, M. (eds) 2001. *Mass media and Society*. Eward Arnold: London
- Deaton**, A. 2003. "Is World Poverty Falling?" *Southern Economist*. January p. 21
- Deaton** and Dreze 2002. *Poverty and Inequality in India: A Re-examination*. Centre for Development Economics Working Paper. Delhi School of Economics: New Delhi
- Desai**, Meghnad and Yahia Said (eds.) 2004. *Global Governance and Financial Crises*. Routledge: London
- Desai**, Mira K. 2005. "Intra and Inter-Cultural Diversities in the Era of Globalization: Transnational Television in India". In *Global Media Journal*. Volume 4, Issue 7 http://lass.calumet.purdue.edu/ccajgmj/Fall2005/non_referreed/DesaiFa05.htm
- Deshingkar, J.P.** and Anderson 2004. "Agriculture and Natural Resource based livelihoods in an era of Economic Reform and Globalisation". In J.P. Deshingkar and C. Johnson (ed.) *Policy Windows and Livelihood Futures: Trends and Prospects for Poverty Reduction in Rural India*. Oxford University Press: New Delhi
- Dev** and Mooij 2002. "Social Sector Expenditures in the 1990s. Ananlysis of Centre and State Budgets". *Economic and Political Weekly*. March 2-8
- Dev**, S. Mahendra and Ajit Ranade 1999. "Persisting Poverty and Social Insecuity. A Selective Assessment". Kirit S. Parikh (ed.) *India Development Report*. Oxford University Press: New Delhi
- Dierkes**, M. and Von Grote, C. (eds) 2000. *Between Understanding and trust: The Public, Science, and Technology*. Harwood Academic Publishers: Amsterdam
- Drucker** Peter, F. 1988. "The Coming of the New Organization". In *Harvard Business Review*. 88: 45-53
- Drucker**, Peter 1994. *Post-Capitalist Society*. Harper Business: New York
- Edsalt**, S. 2000. *GATS to Impact Public Education*. NSW Teachers Federation: Education on Live. Development Policy No. 7, August

- Edwards**, Michael 2000. *NGO Rights and Responsibilities: A New Deal for Global Governance*. Central Books: UK
- Erickson**, J. 1998. "Online - and in fashion. "The Internet comes into its own as a Catalyst for Political Change and Economic Activity". In *Asiaweek*. December 25
- Eyerman**, R. and Jamison, A. 1991. *Social Movement: A Cognitive Approach*. Polity Press: Cambridge
- Feather**, John 1998. *The Information Society: A Study of Continuity and Change*. Library Association Publishing: London
- Foray**, D. and B.A. Lundvall, (1996), "The Knowledge-based Economy: from the Economics of Knowledge to the Learning Economy". In *OECD Employment and Growth in the Knowledge-Based Economy*. OECD: Paris
- Foucault**, M. 1977. *Discipline and Punish: The Birth of the Prison* (Translated from French by Alan Sheridan), Allen Lane: London
- Frase**, P and O'Sullivan, B. 2003 *The Future of Education Under the WTO*. www.campusdemocracy.org/wtoed.html.
- Freeman**, L. 1999. *Gulliver in Southern Africa: South Africa and Zimbabwe in the Post-Apartheid Era*. Paper delivered at the University of Western Australia, Perth, 26-29 November-1999
- Freire**, P. 1972. *Pedagogy of the Oppressed*. Penguin Books: Middlesex
- Galligan**, B., Roberts, W. and Trifiletti, G. 2001. *Australians and Globalisation: The Experience of Two Centuries*. Cambridge University Press: U.K.
- Galtung**, J. 1979. *Development, Environment and Technology: Towards a Technology of Self Reliance*. United Nations: New York
- Georgios**, I. et al 2004. *Social and Economic Transformation in Digital Era*. India Group: U.K.
- Ghosh**, A. 1991. "The Budget and its Relevance for Restructuring the Economy". In *Economic and Political Weekly*. vol. XXVI:34, 2011-2019.
- Ghosh**, J. 1998. "Liberalization Debates". In T.J Byres (ed.) *The Indian Economy: Major Debates Since Independence*. Oxford University Press: New Delhi.
- Giddens**, A. 2000. *The Third Way and its Critics*. Mass Polity Press: Malden Jhabvala, Renana and Sinha, Shalini 2002. "Liberalisation and the Women Workers". *Economic and Political Weekly*. May
- Gill**, S.S. 2003 "Globalization: Higher Education will suffer". In *The Tribune*. July 20
- Gladieux**, L.E. and Swail, W.S. 1999. *The Virtual University and Educational Opportunity*. The College Board: Washington, DC
- Gordon**, Sandy 1997. "Globalisation and the Economic Reforms in India". In *Australian Journal of International Affairs*. Volume 51, No. 1
- Government of India** 1988. *India, 1988-89*. Publications Division, Government of India: New Delhi
- Government of India** 2003. *India, 2003-04*. Publications Division, Government of India: New Delhi
- Gramsci**, A. 1998 (rpt). *Selections From the Prison Notebooks*. Orient Longman: Chennai
- Gray**, R. H., and C. D. Becker. 1993. "Environmental Cleanup: The Challenge at the Hanford Site, Washington, USA." *Environment Management*. 17:461-475
- Griffin**, Keith 2004. "Globalisation and Culture". In Stephen Cullenberg and Prasanta K. Pattnaik (ed.) *Globalisation, Culture and Limits of the Market*. Oxford University Press: New Delhi
- Griffin**, Michael 2002. "From Cultural Imperialism to Transnational Commercialisation: Shifting Paradigms in International Media Studies". *Global Media Journal*. Vol.1, issue 1 ([http://www.lass.calumet.purdue.edu/From Cultural Imperialism.htm](http://www.lass.calumet.purdue.edu/From%20Cultural%20Imperialism.htm))
- Guha**, A and Ray, A.S. 2000. "Multinational versus Expatriate FDI, A Comparative Analysis of the Chinese and Indian Experience". Indian Council For Research on International Economic Relations
- Gusfield**, J.R. (ed.) 1972. *Protests, Reforms and Revolt: A Reader in Social Movement*. New Wiley and Sons: New Delhi

**Development, Displacement
and Social Movements**

- Haberle**, R. 1972. "Types and Functions of Social Movement". In *International Encyclopedia of Social Sciences*. Macmillan and Company: New York
- Hardiman**, D. 1998. "Well Irrigation in Gujarat. Systems of Use, Hierarchies of Control." In *Economic and Political Weekly*. 33:25, p. 1533-1544
- Hazel**, Henderson 1999. *Beyond Globalisation: Shaping a Sustainable Global Economy*. West Hartford, CT: Kumarian
- Helene**, Moussa 1999. *Global Surge in Forced Migration Linked to Colonial Past*. Women's Press: Toronto
- Henderson**, D. 1999. *The MAI Affair: A Story and its Lessons*. The Royal Institute of International Affairs: London
- Herbst**, Jeffrey 1990. *State Politics in Zimbabwe*. University of Zimbabwe Press: Harare
- Higgot**, Richard and Antony, Payne (ed.) 2001. *New Political Economy of Globalisation*. Cheltenham: U.K.
- Hillary**, John 1999. *Globalisation and Employment: New Opportunities, Real Threats*. Panos Briefing No.33 <http://www.nswef.org.au/edu>
- Hoffman**, D.L. and Novak, T.P. 1998. "Bridging the racial divide on the Internet". In *Science*. April 17, 390-391
- Hurrell**, Andrew 1992 "The International Politics of Amazonian Deforestation". In Andrew Hurrell and Benedict Kingsbury (ed.) *The International Politics of the Environment. Actors, Interests and Institutions*. Clarendon Press: Oxford
- Ila** Patnaik, 2003. *India's Policy Stance on Reserves and the Currency*. Working Papers 108, Indian Council for Research on International Economic Relations, New Delhi
- James**, H. Marsh (editor in chief) 1988. *The Canadian Encyclopedia*. Second Edition, Volume 1. Murtin Publiishers: Edmonton
- Jessop**, Bob 2003. "The State and the Contradictions of the Knowledge-Driven Economy". In Bryson, J.R. et.al. (eds) *Knowledge, Space, Economy*. Routledge: London
- Joshi**, V. and Little, I.M.D. 1998. *India's Economic Reforms 1991-2000*. Oxford University Press: New Delhi
- Kacowicz**, Arie M. 1999. *Regionalisation, Globalisation and Nationalism: Convergent, Divergent or Overlapping Alternatives?* University of Notre Dame: Indiana
- Kapila**, Uma, (ed.) 2000. *Indian Economy Since Independence*. Academic Foundation: New Delhi
- Keniston**, S. 2003. *CMTE - the Underground Potential*. CMTE Postgraduate Conference. Brisbane: Australia 19 May
- Khan**, A.R. 2003. *Economic Survey 2003-04*. V.P.G. Books: Delhi
- Khor**, Martin 2001. *Rethinking Globalisation: Critical Issues and Policy Choices*. Books for Change: Bangalore
- Konenburg**, J. 1986. *Empowerment of the Poor: A Comparative Analysis of Two Development Endeavours in Kenya*. Kninlijk Institute Voor de Tropan
- Kundu**, A. Bagchi and Kundu, D. 1999. "Regional Distribution of Infrastructure and Basic Amenities in Urban India: Issues Concerning Empowerment of Local Bodies". *Economic and Political Weekly*. 34(28), July
- Kundu**, Amitabh 2001. "Urban Development, Infrastructure Financing and Emerging Systems of Governance in India: A Perspective". In *Social Sciences Selection*. Vol. 4, No.5, April
- Kurian**, C.T. 1994. *Global Capitalism and the Indian Economy*. Orient Longmont: New Delhi
- Latchem**, C and Hanna, D. 2002. "Leadership for Open and Flexible Learning". *Open Learning*. 17(3), 203-215
- Lee**, C.C. 1980 *Media Imperialism Reconsidered: The Homogenizing of Television Culture*. SagePublications: London
- Leonard**, A. 1998. "Soweto online". In *Salon Magazine*. 16 November
- Lewenstein**, B. 1992. "The Meaning of `Public Understanding of Science". In *Public Understanding of Science*. 1, 45-68
- Lokayan** Bulletin, (Editorial) 1991. "Dams on the River Narmada: A Call to Conscience". May-August Vol. 9, No.3 and 4, Pp 1-10

- Lundvall**, B.A and B. Johnson 1994. "The Learning Economy". In *Journal of Industry Studies*. Vol. 1, No 2, December, pp. 23-42
- Lyon**, D. 1988. *The Information Society: Issues and Illusions*. Polity Press: Cambridge
- Makambe**, John. 1996. *Participatory Development: The Case of Zimbabwe*. University of Zimbabwe Press: Harare
- Malcolm**, Waters 2001. *Globalization*. Routledge: Oxford, UK
- Mandal**, R. 1994. *Privatisation in the Third World*. Vikas Publishing House: New Delhi
- Mander**, J. 1996 "Corporate Capitalism". In *Resurgence*. November/December, No. 179:10-12
- Mander**, Jerry and Edward Goldsmith 1996. *The Case Against the Global Economy and for a Turn Toward the Local*. Sierra Club Books: San Francisco
- Maria** J.F. Willumsen and Eduardo Giannetti da Fonseca (ed.) 1997. *The Brazilian Economy: Structure and Performance in Recent Decades*. North-South Centre Press: University of Miami
- Martinussen**, John Degnobl 2001. *Policies, Institutions and Industrial Development*. Sage Publications: New Delhi
- Mascarenhas**, M. 2003. "Unpalatable Truth". *The Hindu*. June 22
- Mathur**, Hari Mohan and David Marsden (ed.) 1998. *Development Projects and Impoverishment Risks*. Oxford University Press: New Delhi
- McAdam**, D. 1982. *Political Process and the Development of Black Insurgency 1930-1970*. University of Chicago Press: Chicago
- McCully**, Patrick 1998. *Silenced Rivers. The Ecology and Politics of Large Dams*. Orient Longman Ltd.: Delhi
- McDelland** and Steward Inc. 2000. *The Canadian Encyclopedia, 1999*. The Canadian Publishes: Toronto, Canada
- McLennan**, Gregor 2000. "The New Positivity". In Eldridge, John et.al. (eds.) *For Sociology: Legacy and Prospects*. The Sociology Press: Durham
- McLuhan**, Marshall 1964. *Understanding Media*. McGraw-Hill: New York
- Melucci**, A. 1996. "Symbolic Challenge of Contemporary Movements". In S.M. Buechler and J. Cylke (ed.) *Studying Collective Action*. Sage Publications: London
- Modelski**, George and Kazimierz Poznanski. 1996. "Evolutionary paradigms in the social sciences". *International Studies Quarterly* 40 (3): 315-20
- Morris**, Merrill and Ogan, Christine(1996). "The Internet as a Mass Medium". In *Journal of Communication*. 46(1).39-50.
- Moussa**, Helene 1999. *Global Surge in Forced Migration Linked to Colonial Past*. Women's Press: Toronto
- Moyo**, S. 1995. *The Land Question in Zimbabwe*. SAPES Publication: Harare
- Naisbitt**, J. 1986. *Reinventing the Corporation: Transferring Your Job and Your Company for the New Information Society*. Nicholas: London
- Nayyar**, D. 1996. *Economic Liberalisation in India: Analytics, Experience and Lessons*. Orient Longman: Hyderabad
- Nayyar**, D. 1997. *Globalisation: The Past in Our Future*. Third World Network: Penang, Malaysia
- Nhema**, A.G. 2002. *Democracy in Zimbabwe: From Liberation to Liberalisation*. University of Zimbabwe Publications: Harare
- Night**, J. 2002. *Trade in Higher Education Services: The Implications of GATS*. The Observatory on Borderless Higher Education: London
- Noble**, D. 1997. *Digital Diploma Mills: The Automation of Higher Education*.
- O'Brian**, R. 1992. *Global Financial Interpretation: The end of Geography*. The Royal Institute of International Affairs: London
- Ohmae**, K. 1990. *The Borderless World*. Collins: New York
- Osborne**, Thomas 2003. "On Mediators: Intellectuals and the Ideas Trade in Knowledge Society". In *Economy and Society*. 33(4) 430-447
- Ott**, C. 1998. "Computers in the Classroom Promote a Conservative Vision of Education but Liberals don't Seem to Have Noticed". In *Salon Magazine*. August 28

- Panikkar**, K.N. 1995. "Globalisation and Culture". In *The Hindu*. 4th October
- Parikh**, Kirit, S. (ed.) 1999. *India Development Report*. Oxford University Press: New Delhi
- Parikh**, Kirit, S. and Ajay Shah 1999. "Second Generation Reforms". In Kirit S. Parikh (ed.) *India Development Report*. Oxford University Press: New Delhi
- Patnaik**, P. 1986. "Public Debt as a Mode of Financing Public Expenditure: Some Comments." In *Economic and Political Weekly*. Vol. XXI, No. 35, August, pp.1545-1552
- Patnaik**, P. 2003. *On the Economics of 'Open Economy' De-Industrialization*. V.V.Giri Memorial Lecture delivered at the Annual Conference of the Indian Society of Labour Economics, Kolkata, available from <http://www.macrosan.com>
- Patnaik**, P. 2004. "On Financing Infrastructure on the strength of Reserves." In *Economic and Political Weekly*. December 25
- Patnaik**, U. 2004 *The Republic Of Hunger*. Lecture delivered on the occasion of the 50th Birthday of Safdar Hashmi, Organized By Sahmat (Safdar Hashmi Memorial Trust) April, New Delhi
- Pavlik**, John V., and Everette E. Dennis 1998. *New Media Technology: Cultural and Commercial Perspectives*. 2nd ed. Allyn and Bacon: Boston
- Peter**, Flynn 1996. "Brazil: The Politics of the "Plano Real". In *Third World Quarterly*
- Pierse**, J.N. 2001. Globalization and Collective Action. In Pierre Hamel (ed.) *Globalisation and Social Movements*. Palgrave: Great Britain
- Pierre**, Hamel et al 2001. "The Shifting Frames of Collective Action". In Pierre Hamel (ed.) *Globalisation and Social Movements*. Palgrave: Great Britain
- Pinto**, B. and F. Zahir 2004. *India: Why Fiscal Adjustment Now*. World Bank Policy Research Working Paper 3230, March
- Pitroda**, S. 1993. "Development, Democracy, and the Village Telephone". In *Harvard Business Review*. November-December, 66-68
- Poux**, C. 2001. *Cultural Imperialism*. In <http://iml.jou.ufl.edu/projects/Spring01/Poux/Cultural%20Imperialism.html>
- Putnam**, R. D. 1993. *Making Democracy Work: Civil Traditions in Modern Italy*. Princeton University Press: Princeton NJ
- Pyle**, Jean. L. 2002. "Globalisation, Universities and Sustainable Development: a Framework for Understanding the Issues". In Jean L. Pyle and Robert Forrent (ed.) *Globalisation, Universities and Issues of Sustainable Human Development*. MPG Books Ltd.: Cornwall
- Rakshit**, M. 1991. "The Macroeconomic Adjustment Programme: A critique." In *Economic and Political Weekly*. vol. XXVI: 34, 1977-1988
- Rakshit**, M. 2002. "Some Macroeconomics of India's Reforms Experience: An Outline." Paper presented at The Indian Economy Conference at Cornell University, April, downloadable at <http://www.arts.cornell.edu/econ/indiaconf/Rakshit%20outline.pdf>
- Rakshit**, M. 2004 "Some Puzzles of India's Macro economy." Paper presented at the National Conference in Honour of Prof. K.N.Raj at St. Thomas' College, Thrissur, October.
- Rakshit**, Mihir 1998. *Studies in the Macroeconomics of Developing Countries*. OUP: New Delhi
- Rene** Morissette, Xuelin Zhand and Marie Drolet 2003. "Are families getting richer". In *Canadian Social Trends*. Autumn 202, No. 66.
- Romer**, Paul M. 1990. "Endogenous Technological Change". In *Journal of Political Economy*. University of Chicago Press, vol. 98(5), pages 71-102
- Roy**, Alok 1997. "Economic Liberalisation in India: Balance of Payments Implications". In *Economic and Political Weekly*. July 11
- Roy**, Alok 2000. "Globalisation challenges in India". In Purushottam Battacharya and Ajitava Roy Chaudhuri (ed.) *Globalisation and India: A Multidimensional Perspective*. Lancers Books: New Delhi
- Schiller**, H.I. 1976. *Communication and Cultural Domination*. International Arts and Sciences Press: White Plains, NY
- Scholte**, J.A. 1999. "Globalisation: Prospects of Paradigm Shift" In M. Shaw (ed.) *Politics of Globalisation: Knowledge, Ethics and Agency*. Routledge: London
- Scott**, M. 2001. "Danger Landmines: NGO-Government Collaboration in the Ottawa Process". In *Non-Profit and Voluntary Sector Quarterly*.

- Selnow**, G. W. 2000. "Internet Ethics". In R. E. Jr. Denton (ed.) *Political Communication Ethics: an Oxymoron?* Praeger Publishers: CT, Westport
- Sen**, A. and Himanshu 2004. "Poverty And Inequality In India-II, Widening Disparities During The 1990s." *Economic and Political Weekly*. September 25, 4361-4375.
- Sen**, G. and C. Crown 1988. *Development, Crisis and Alternative Visions*. Earthscan: London
- SEWA** 2004. *Impact of Globalisation on Informal Sector. A Casestudy of SEWA Members*. <http://www.sewa.org>
- Sharma**, K. 1992. "Grass-root Organisations and Women's Empowerment: Some Issues in Contemporary Debates". In *Samya Shakti*. 1(6): 28-43
- Shaw** Annapurna 1999. "Emerging Pattern of Urban Growth in India". *Economic and Political Weekly*. April 17-24
- Singh**, N. and T. N. Srinivasan 2004. "Fiscal Policy in India: Lessons and Priorities," Paper presented at the NIPFP-IMF conference in New Delhi, February
- Singh**, Nirvikar and T. N. Srinivasan 2004. *Foreign Capital Inflows, Sterilization, Crowding-Out and Growth*. Princeton University Press: Princeton
- SinghRoy**, D.K. 2003(rpt). *Social Development and the Empowerment of the Marginalised: Perspectives and Strategies*. Saga Publication: New Delhi.
- Siva**, Vandana 2005. "India: Soft Drinks, Hard Cases". *Le Monde Diplomatique*. March (<http://www.mindfully.org>)
- Smith**, Peter 2001. "The Impact of Globalization on Citizenship: Decline or Renaissance?" *Journal of Canadian Studies* 36(1): 116-140
- Smythe**, E. and P.J. Smith 2003. NGOs, Technology and the Changing Face of Trade Politics" In K.L.Brock (ed.) *Delicate Dances: Public Policy and the Non Profit Sector*. McGill-Queen's University Press: London
- Spanish Report** 1998. *Green Jobs Project*.
- Srinivasan**, T.N. 2003. *Indian Economic Reforms: A Stock Taking*. Stanford Centre for India Programme. Working Paper no. 190
- Statistics Canada** 2001. *National Income and Expenditure Accounts*. Catalogue no. 13-001-PBB, 4th Quarter
- Stehr**, Nico (2001) *The Fragility of Modern Societies: Knowledge and Risk in the Information Age*. Sage Publications: London
- Stephen**, Deery and Nicholas, Kinnie (ed.) 2003 *Call Centres and Human Resource Management: a Cross-national Perspective*. Basingstoke: Hampshire, New York
- Stevens** et al 2004. *The Impact of Reform of international trade on Urban and Rural Change*. Report to the rural-urban change policy division. DFID: London
- Strange**, S. 1996. *The Retreat of the State: The Diffusion of Power in the World Economy*. Cambridge University Press: New York
- Streten**, P. 1998 "The Contribution of Non-Governmental Organisations to Development". *Political Economy Journal of India*. Vol-6 No.2: 111-21
- Sundaram**, K and S. D. Tendulkar 2003. "Poverty Has Declined in the 1990s: A Resolution of Comparability Problems in NSS Consumer Expenditure Data." *Economic and Political Weekly*. January 25.
- Sundaram**, K. 2001. "Employment-Unemployment situation in the nineties: Some Results from the NSS 55th Round Survey". *Economic and Political Weekly*. March 17
- Swasti Mitter** 2001. "Globalisation and ICT: Employment Opportunities for Women". In *IT Information Technology*. Vol. 11, No. 2 December
- Tarrow**, S. 1994. *Power in Movement: Social Movements, Collective Action and Mass Politics in the Modern State*. Cambridge University Press: New York
- Taylor**, Charles 1990. *Invoking Civil Society*. Working Papers, No. 5, Centre for Transcultural Studies, Chicago
- Toch**, H. 1965. *Social Psychology and Social Movements*. Bobbs-Merrile: Indianapolis
- Toffler**, Alvin 1980. *The Third Wave*. Pan Books: London
- Tolly** 1978. *From Mobilization to Revolution*. Addison-Wesley: Massachusetts
- Tomilson** 1991. *Cultural Imperialism: A Critical Introduction*. Pinter Publisher: London

**Development, Displacement
and Social Movements**

Tuchman, G. 1981(revised edition). "The Symbolic Annihilation of Women by the Mass Media". In S. Cohen and J.Young (eds) *The Manufacture of News*. Constable: London

UNCTAD 1996. *The TRIPs Agreement and Developing Countries*. New York and Geneva

UNDP 1999. *Human Development Report*. Oxford University Press: New York

UNDP 2003. *Human Development Report*. Oxford University Press: New Delhi

United Nations 1999. *World Survey on the Role of Women in Development: Globalisation, Gender and Work*. United Nations Publications: Geneva

Virmani, A. 2001. *India's 1990-91 Crisis: Reforms, Myths and Paradoxes*. Planning Commission Working Paper no. 4, December

Volkmer, Ingrid 2003. *Dialectical Spaces in the Global Public Sphere, Media Memories Across Generations*. Joan Shorenstein Center on the Press, Politics and Public Policy, Harvard University, Cambridge. Working Paper Series, 2003-5.

Wang G, Jan Servaes and A. Goonasekera 2000. *The Communications Landscape, Demystifying Media Globalisation*. Routledge: London

Webster, Frank 1995. *Theories of the Information Society*. Routledge: London

Weisman, D.L. and Sibley, D.S. 1998. "Raising Rivals Costs: The Entry of an Upstream Monopolist into Downstream Markets". In *Information Economics and Policy*. 10, 451-470

Wilson, J. 1973. *Introduction to Social Movements*. Basic Books: New York

Woolgar, Steve (ed.) 2002. *Virtual Society? Technology, Cyber bole, reality*. Oxford University Press: Oxford

World Bank 1997. *The World Development Report*. OUP: New Delhi

Website Addresses

<http://cade.icaap.org>

<http://news.bbc.co.uk>

<http://oecd.org>

<http://sewa.org/>

<http://twm.co.nz>

<http://www.dcita.gov.au>

<http://www.dfait-maeci.gc.ca>

<http://www.economics.adelaide.edu>

http://www.firstmonday.dk/issues/issue3_1/noble/index.html

<http://www.greenpeace.org>

<http://www.idsnet.org>

<http://www.ilo.org>

<http://www.indiainfoilne.com>

<http://www.med.gov.nz>

<http://www.mssrf.org/>

<http://www.nationmaster.com>

<http://www.opt-init.org>

<http://www.pathfinder.com/asiaweek/current/issue/cs6.html>

<http://www.phmovement.org>

<http://www.photius.com>

http://www.salonmagazine.com/21st/feature/1998/11/cov_feature2.html

<http://www.thecornerhouse.org.uk>

<http://www.usaid.gov>

<http://www.citizen.org>

<http://www.wto.org>