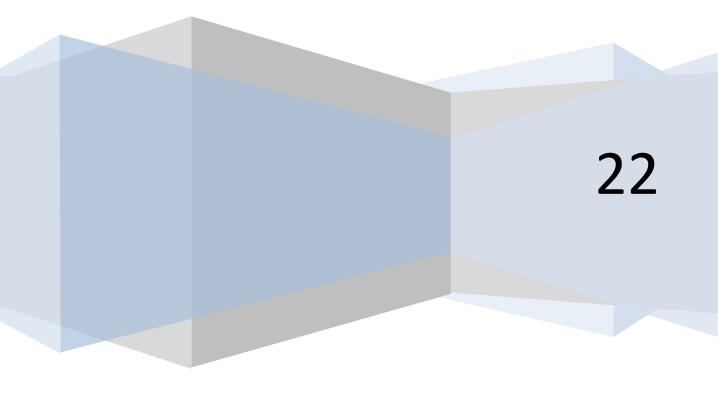
# Social Development- Social Inclusion, Demographics, Social Sector Initiatives Chapter 1

**Short Answers** 

CSM-05: Compiled by Dr. Gadadhara Mohapatra



#### This chapter contains:

- Social Development
- Economic Growth and Development
- Human Development
- Path to Development: Modernisation
- Globalisation
- Socialism
- Mixed Economy
- Gandhian
- Socio-Economic Inequality in India

# Contents

1. Social Development iii
1.1 Perspectives on Developmentiii
2. Economic Growth and Development iv
2.1 Factors influencing Economic Growthiv
2.2 What is Economic Development?iv
2.Human Development vi
2.1 Four Pillars of Human Development
2.2 Approaches to Human Development
3. Path to Development: Modernisation viii
1.1 Introductionviii
2.2 Modernityx
2.3 Tradition and Modernityxi
3. Path to Development: Globalisation xiii
3.1 Aspects of Globalisation in Indiaxiii
3.2 Concept of Globalisationxiv
3.3 Challenges of globalization and its effectsxiv
4. Path of Development- Socialism xviii
4.1 Pros Explainedxix
4.2 Cons Explainedxix
4.3 Mixed Economiesxix
5. Path to Development: Mixed Economy xxi
5.1 What is a Mixed Economy? xxi
5.2 Features of Mixed Economyxxi
5.3 Mixed Economy - Demeritsxxii
6. Path to Development: Gandhian xxiii
6.1 What is Gandhian ideology? xxiii
6.2 Major Gandhian Ideologiesxxiv
6.3 Relevance of Gandhi in Today's Contextxxvi
7. Socio-Economic Inequality in India xxvi
7.1 Socio-Economic Inequality in India xxvi
7.2 Way Forwardxxvii

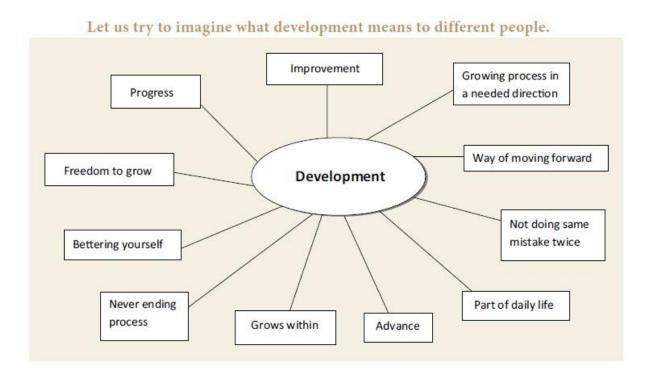
7.3 Conclusion .......xxviii

#### 1. Social Development

Social development is about the overall improvement in the well-being of every individual in society so they can reach their full potential. For example, social development refers to change in the thought process of people regarding different genders in a positive sense.

#### 1.1 Perspectives on Development

Every human being has an ambition or desire of his or her own to achieve progress in life. Similarly, we have ideas about how a country should progress. If our thinking turns towards progress and about the ways to achieve the many goals for progress, it leads to development.



iii

From the above diagram, you will notice that other than income, people seek freedom to grow on their own. Thus, development refers to the improvement in quality of life such as higher income, better education, better health and nutrition, less poverty and more equal opportunity.

The term 'economic development' refers to the overall growth of all sectors of the economy by adoption of new technologies. Economic development improves the living standards of the people as well as the status of the country.

## 2. Economic Growth and Development

Economic growth can be defined as an increase in the value of goods and services produced in an economy over a period of time. This value calculation is done in terms of % increase in GDP or Gross Domestic Product. Economic growth is calculated in real terms where the effects of variation in the value of goods and services due to inflation distortion are also accounted for.

#### 2.1 Factors influencing Economic Growth

Human resources – this is a major factor that is responsible for boosting the economic growth of a country. The rate of increase in the skills and capabilities of a workforce ultimately increases the economic growth of a country.

Infrastructure development- Improvements and increased investment in physical capital such as roadways, machinery, and factories will increase the efficiency of economic output by reducing the cost.

Planned utilization of natural resources – Proper use of available natural resources like mineral deposits helps boost the productivity of the economy.

Population growth – An increase in the growth of the population will result in the availability of more human resources which in turn will increase the output in terms of quantity. This is also an important factor that influences economic growth.

Advancement in technology – Improvement in technology will affect the economic growth of a country positively. The application of advanced technology will result in increased productivity of labor and economic growth will advance at a lower cost.

#### 2.2 What is Economic Development?

The term economic development can be explained as the process by which the economic wellbeing and quality of life of a nation, community, or particular region are improved according to predefined goals and objectives. Economic development is a combination of market productivity and the welfare values of the nation.

## 2.3 Factors Affecting Economic development

Infrastructural improvement – Development in the infrastructure improves the quality of life of people. Therefore, an increase in the rate of infrastructural development will result in the economic development of a nation.

Education – Improvement in literacy and technical knowledge will result in a better understanding of the usage of different equipment. This will increase labor productivity and in turn, will result in the economic development of a nation.

Increase in the capital – Increase in capital formation will result in more productive output in an economy and this will affect the economic development positively.

### 2.4 Difference between Economic Growth & Development

The major differences between economic growth and development are stated below:

Economic growth	Economic development	
Increase in market output results in economic growth	Economic development can be measured in terms of welfare values and market output	
It is a quantitative concept	It is a qualitative concept	
Economic growth is uni- dimensional	Economic development is multidimensional	
This is one of the major concern of developed countries	This is a major concern of developing countries	
Economic growth is independent of the development	Economic development can only happen if economic growth takes place.	
<ul><li>Indicators of Economic growth</li><li>Real GDP</li><li>Real per capita income</li></ul>	<ul> <li>Indicators of economic development</li> <li>Human Development Index</li> <li>Physical Quality of Life Index</li> <li>Net Economic Welfare (NEW)</li> </ul>	

## 2.Human Development

Human development can be defined as the process of enhancing people's freedoms and opportunities and improving their well-being. Human development focuses on improving the people's live rather than assuming that economic growth will lead to greater wellbeing for all. Economic growth is seen as a means to development, rather than an end in itself.

## Growth and Development

Meaning of both growth and development changes over a period of time. The difference is that growth is quantitative, whereas development is a qualitative concept.

Growth	Development
Increase in market output leads to	Economic development can be measured in terms of
economic growth	welfare values and market output
It is a quantitative concept	It is a <b>qualitative</b> concept
<b>Economic growth is one dimensional</b>	Economic development is multidimensional in nature
in nature	
This is one of the major concerns of	This is a major concern of developing countries
developed countries	
Economic growth and development	Economic development can only happen if economic
are not interdependent.	growth takes place.
<b>Indicators of Economic growth- Real</b>	Indicators of economic development – Human
GDP, Real per capita income,	Development Index, Physical Quality of Life Index, Net
National income etc.	Economic Welfare (NEW)

## 2.1 Four Pillars of Human Development

- Equity
- Productivity
- Sustainability
- Empowerment

Equity	• It refers to making equality in accessibility to opportunities available to everybody. The opportunities available to people must be equal irrespective of their gender, race, income, class and in the Indian case, caste. Yet this is very often not the case
	<ul> <li>and happens in almost every society.</li> <li>E.g. – In any country, it is interesting to see which group the most of the school dropouts belong to. This should lead to an understanding of the reasons for such behavior. In India, a</li> </ul>

	large number of women and persons belonging to socially and economically backward sections drop out of school. This shows how the choices of these groups gets limited by not having proper access to knowledge.
Sustainability	<ul> <li>It means continuity in the availability of opportunities. To have sustainable human development, each generation must have the same opportunities to make choices. All environmental, financial and human resources must be used keeping the future in mind – Sustainable development.</li> <li>Misuse of any of these resources will result into fewer opportunities for future generations.</li> <li>A good example would be the importance of sending girls to school. If a community does not stress on the importance of sending its girl children to school, these young women will be losing on many opportunities. Their career choices will be curtailed and this would affect other aspects of their lives. So, it is important for each generation to ensure the availability of choices and opportunities to its future generations.</li> </ul>
Productivity	<ul> <li>Here it means human labor productivity or productivity in terms of human work. Such productivity needs to be constantly enriched by building capabilities in people. Ultimately, it is people who are the real resource of nations. Therefore, efforts to increase their knowledge, or provide better health facilities ultimately results into better work efficiency.</li> </ul>
Empowerment	<ul> <li>Means to have the power to make choices. Such power comes from increasing freedom and capability to choose. Good governance with people-oriented policies are required to empower people.</li> <li>The empowerment of socially and economically disadvantaged groups holds special importance.</li> </ul>

## **2.2** Approaches to Human Development

There four different approaches existing in the development literature such as:

- 1. Income
- 2. Basic Needs
- 3. Capability4. Welfare

Income Approach	<ul> <li>This approach is one of the oldest approaches to human development. Human development is seen as linked to income. The idea is that the level of income reflects the level of freedom an individual has.</li> <li>Higher the level of income, the more is the level of human development.</li> </ul>	
Welfare Approach	<ul> <li>This approach looks at human beings as beneficiaries or targets of all developmental activities.</li> <li>The approach argues for higher government expenditure on education, health and basic amenities.</li> </ul>	

	<ul> <li>People are not participants but only passive recipients.</li> <li>The government is solely responsible for increasing levels of human development by maximizing expenditure on welfare.</li> </ul>
Basic Needs Approach	<ul> <li>This approach was initially proposed by the International Labor Organization (ILO).</li> <li>Six basic needs i.e. health, education, food, water supply, sanitation, and housing were identified.</li> <li>The question of human choices is ignored and the emphasis is on the provision of basic needs of specific sections.</li> </ul>
Capability Approach	<ul> <li>This approach is associated with Prof. Amartya Sen.</li> <li>Building human capabilities in the areas of health, education and access to resources is the key to increasing human development.</li> </ul>

## 2.3 Measuring Human Development

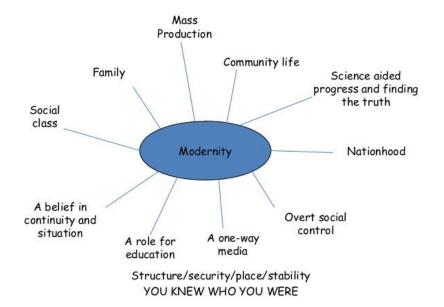
- Human development Index (HDI)
- Published by the United Nations Development Programme (UNDP) on an annual basis, it is a statistical tool used to measure a country's overall achievement in its social and economic dimensions.
- The social and economic dimensions of a country are based on the health of people, their level of education attainment and their standard of living.
- First report was published in
- The human development approach, developed by the economist Mahbub Ul Haq, is anchored in the Nobel laureate Amartya Sen's work on human capabilities. It had the purpose "to shift the focus of development economics from national income accounting to people centered policies".
- HDI is broken down into four tiers—
- Very high human development
- High human development
- Medium human development
- Low human development
- HDI measures average success of a country in three basic dimensions of human development:
- A long and healthy life
- Access to knowledge
- A decent standard of living

## 3. Path to Development: Modernisation

# 1.1 Introduction

As used in classical sociological theory, the concept of modernity has its roots in the attempt to come to grips with the meaning and significance of the social changes occurring in Europe in the latter half of the nineteenth century, namely, the effects of industrialization, urbanization, and political democracy on essentially rural and autocratic societies. The term "modernity" was coined to capture these changes in progress by contrasting the "modern" with the "traditional." The theme, if not the concept, of modernity pervades sociology and the work of its founding fathers, Marx, Weber, and Durkheim. In their work modernity was meant to be more than a heuristic concept. It carried connotations of a new experience of the world. Modernity referred to a world constructed anew through the active and conscious intervention of actors and the new sense of self that such active intervention and responsibility entailed.

This new sense of time and future orientation applies as much to the arts as to social and political relations. In fact, the concept of modernity used in social theory and the concept of modernism used to describe movements in the arts and literature have a common basis. Both focus on the new sense of individuality, future orientation, and creative possibility and identify these attributes with both the individual and collective movements.



# 2.2 Modernity

Modernity involves the rise of modern society (secularized 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"

Modernity is the term used by sociologists to describe the "modern" period which began in Europe several hundred years ago. Some of the key features of modern societies are:

Economic production is industrial and capitalist, with social class as the main form of social division. Social classes are based on people's social and economic position. Marx's view for instance, was that industrial society people were divided into two main classes, those who owned businesses and those who sold their labour to them.

The growth of cities, or urbanisation. During the 18th, 19th, and 20th centuries thousands of people moved to cities to find work and make their homes.

A powerful central government and administration, known as a bureaucratic state. Local and central government have played an ever increasing part in our lives, the development of compulsory education, public housing and the welfare state for example.

People's knowledge is derived from scientific and rational thinking rather than religious faith, magic or superstition. During this period people have looked to science and logical thinking to explain the world. Natural disasters such as earthquakes, for example, have tended to be explained scientifically rather than as an "act of god". A widely held faith in scientifically based progress. An associated view has been that the more we trust in science and technological progress, the better our society will be.

#### 2.3 Tradition and Modernity

Tradition has a tendency to become entropic and inward looking. This is true of many local level traditions and sub traditions are stamped out and disappear without leaving much of a trace. The pertinent question here is why does tradition disappear, change, ameliorate or attempt to coexist with modernity? The fact of the matter is that the vectors or chief characteristics of a tradition are themselves set to develop, change, or become stagnant. Thus tradition has many sub traditions and it is these that often linger on, indefinitely, in various geophysical territories within a specific culture area.

#### 2.4 Thinkers on Modernity

Karl Marx's concern with modernity was in terms of production relations. It was the objective of the capitalist class to increase its production. More production means more profit. Capitalism, for him, was ultimately profiteering. Marx, therefore, argued that for capitalism everything is a commodity. Dance, drama, literature, religion, in fact, everything in society is a commodity. It is manufactured and sold in the market.

Max Weber scans a huge literature on domination, religion and other wider areas of life and comes to the conclusion that rationality is the pervading theme, which characterizes human actions. He has, therefore, defined modernity as rationality. For him, in one word, modernity is synonymous with rationality.

Emile Durkheim had a very intimate encounter with industrialization and urbanization. He was scared of the impact of modernization. His studies of modern society brought out very interesting and exciting data. He was a functionalist. He very strongly believed in the cohesion of society. For him, society is above everything else. It is par excellence. It is God. Despite all this, society is never static.

Ferdinand Tonnies characterized key characteristics of simple and modern societies with the German words Gemeinschaft and Gesellschaft. Gemeinschaft means human community, and Tonnies said that a sense of community characterizes simple societies, where family, kin, and community ties are quite strong. As societies grew and industrialized and as people moved to cities, Tonnies said, social ties weakened and became more impersonal. Tonnies called this situation a Gesellschaft and found it dismaying.

George Simmel is seen as investigating modernity primarily in two major interrelated sites: the city and the money economy. The city is where modernity is concentrated or intensified, whereas the money economy involves the diffusion of modernity, its extension. Thus, for Simmel, modernity consists of city life and the diffusion of money.

#### 2.5 The Concept of 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 suc formulation which held out considerable promise.

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. 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.

#### 2.6 Distinct Thoughts

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.

#### 2.7 Conclusion

Modernity brought with it many blessings to the people including much better health and economic prospects. However, there are also some problems which have emerged with modern society e.g. the nuclear bombing of Hiroshima and Nagasaki during World War II; and the arms race thereafter. Other problems include environmental degradation e.g. air and water pollution. Modernity also creates great stress on people and alienation or being without specific interest in anything (malaise). At the present point the debate is still on whether modernity is socially positive or not, whether it has proved beneficial or not to world society.

## 3. Path to Development: Globalisation

Introduction: Effects of Globalisation on Indian Society

Globalization is a significant factor in competitive world that integrate and mobilize cultural values of people at global level. In the age of rapid technical progression, many countries are unified and transformed due to the process of globalization. Globalization has a huge impact on cultural, social, monetary, political, and communal life of countries. Abundant theoretical studies demonstrated that globalization intercedes in a cultural life of populace that raises numerous critical issues (Robertson, 1992). In broad sense, the term 'globalization' means combination of economies and societies through cross country flows of information, ideas, technologies, goods, services, capital, finance and people. Globalization is described by theorists as the process through which societies and economies are integrated through cross border flows of ideas, communication, technology, capital, people, finance, goods, services and information.

# 3.1 Aspects of Globalisation in India

Cross country incorporation has several aspects and can be political, cultural, social and/or economic, all which equal globalization. Nevertheless, financial integration is the most common aspects. Economic integration involves developing a nation's economy into an international economy. After World War I and II the early trends of globalization decreased throughout the world due to many barriers which restricted the movement of goods and services. In fact, cultural and social integration are even more than economic integration. Globalization increases competitiveness at company level and national level, which leads company management and governments to embrace strategies designed to increase labour effectiveness with reference to productivity, quality and innovation.

Generally, globalization involves economies that are opening up to international competition and that do not distinguish against international capital. Consequently, globalization is often accompanied by a liberalization of the markets and the privatization of productive assets. But globalization also leads to unemployment, increasing casual employment and weakening labour movements. Theoretical literature denotes that Globalization has made countries to realize that they can share their cultural values and economic exchanges to promote business and gain competitive advantage. The fervour of globalization has even enforced Governments to be tuned to the merits of a Global economy. Management studies have defined the process

of globalization. Fraser (2007) explained that Globalization is a word on every commentator's lips nowadays, but is very difficult to define satisfactorily, for it arises in so many different contexts like economic, sociological, political, cultural and environmental. Akteruzzaman.Md, 2006 stated that globalization is the interconnectedness of nations and regions in economic domain, in particular, trade financial flows and multinational corporations.

# 3.2 Concept of Globalisation

The concept of globalization means that the world is getting smaller as well as bigger. Akteruzzaman.Md, 2006 described that globalization can contribute to develop pattern of cross border activities of firms, involving international investment, trade and strategic alliances for product development, production, sourcing and marketing. These international activities companies to enter new markets, to exploit their technological and organizational advantages and to reduce business costs and risks. Other theorists stated that globalization is a social phenomenon that defines the geographical boundary in terms of many different issues. According Brinkman, 2002, globalization as a triumphalism light, as the penetration of capitalism into every corner of the world, bringing with it the possibility for all of the world's population to participate in the fruits of the international division of labour and market economy. ALI, 2015 explained the globalization as a process of rapid economic, cultural, and institutional integration among countries. This association is driven by the liberalization of trade, investment and capital flow, technological advances, and pressures for assimilation towards international standards. Globalization has reduced barriers between countries, thus resulting in strengthening of economic competition among nations, dissemination of advanced management practices and newer forms of work organization, and sharing of internationally accepted labour standards.



#### 3.3 Challenges of globalization and its effects

Many theorists asserted that change in environment has both positive and negative aspects (Harris, 2002). These stimulate driving or resisting forces toward the change of the status quo.

This is most obvious relative to both globalization, and the resulting spread of the global organization. There are four factors that accelerate globalization.

The market imperative: Impact on national economies of larger, transnational markets characterized by free, convertible currencies, open access to banking, and contracts enforceable by law.

The resource imperative: Growing interdependence of nations and their activities on one another, fostered by the depletion of natural resources, misdistributions of arable land, mineral resources, and wealth, as well as overpopulation. The undeveloped nations need the capital, technology, and brainpower of the wealthier countries, while the First World economies are progressively dependent on the natural and human resources of the developing nations.

The IT imperative: Modernizations in glob communications, science and technology contribute toward universalization or planarization.

The ecological imperative: Globalization does have great effect on the ecologies and environments of nations which need to safeguards that lessen the negative effects rather than exploiting without regard to such concerns.

India was main mover of globalization. The government of India made major modifications in its economic policy in 1991 by which it allowed direct foreign investments in the country. As a result of this, globalization of the Indian Industry occurred at large scale. In India, economic expansion was observed in nineteenth century due to major crisis led by foreign exchange. The liberalization of the domestic economy and enhanced incorporation of India with the global economy helped to step up gross domestic product (GDP) growth rates which made good position in global scale. Effects of globalization in Indian Industry are observed as this process brought in large amounts of foreign investments into the industry especially in the BPO, pharmaceutical, petroleum, and manufacturing industries. As a result, they boosted the Indian economy quite significantly. The benefits of the effects of globalization in the Indian Industry are that many foreign companies set up industries in India, especially in the pharmaceutical, BPO, petroleum, manufacturing, and chemical sectors and this helped to offer great opportunities for employment to Indian people. Also this helped to reduce the level of unemployment and poverty in the country. It is observed that the major forces of globalization in India has been in the development of outsourced IT and business process outsourcing services. Since last many years, there is an increase of skilled professionals in India employed by both local and foreign companies to service customers in the US and Europe. These countries take advantage of India's lower cost but highly talented and English-speaking work force, and utilizes global communications technologies such as voice-over IP (VOIP), email and the internet, international enterprises have been able to lower their cost base by establishing outsourced knowledge-worker operations in India. The foreign companies brought in highly advanced technology with them and this made the Indian Industry more technologically advanced. Globalization in India has been beneficial for companies that have ventured in the Indian market. It is recommended by researchers that India has to focus on five important areas to enhance its economic status. The areas include technological entrepreneurship, new business openings for small and medium enterprises, the importance of quality management, new prospects in rural areas and privatization of financial institutions.

In terms of export and import activities, Many Indian companies have expanded their business and became famous at global level such as fast food, beverages, and sportswear and garment

industries. Records indicated that Agriculture exports account for about 13 to 18% of total annual export of the country. In 2000-01, agricultural products valued at more than US\$6 million were exported from the country of which 23% was contributed to the marine products alone. Marine products in recent years have emerged as the single largest contributor to the total agricultural export form the country accounting for over one fifth of the total agricultural exports. Cereals (mostly basmati rice and non-basmati rice), oil seeds, tea and coffee are the other prominent products each of which accounts for nearly 5 to 10% of the countries' total agricultural exports. Globalization speeded export of food items in India in the form of increased consumption of meat, western fast food, sodas and cool drinks, which may result in public health crisis. The rich biodiversity of India has yielded many healthy foods prepared from locally available entities. But the marketing by MNCs with large advertisement campaigns lead the people to resort to their products (Mascarenhas, 2003).

Figure: Indian companies going global:

Buyer	Acquisition
Mittal Steel	Arcelor, Luxembourg
Reliance Industries	Flag telecom Bermuda
Tata Motors	Daewoo Korea
Infosys technologies	Expert Information Services, Australia
Bharat Forge	Carl Dan Peddinghuas, Germany
Ranbaxy	RPG, (A ventice) Laboratories, France
Wockhardt	CP Pharmaceuticals, UK.
Cadia health	Alpharma SAS, France
Hindalco	Straits Ply, Australia
Wipro	Nervewire, Inc, USA
A ditya B irla	Dashiqiao Chem, China
United Phasphorus	Oryzalin Herbicide, USA

## 3.4 Technological and Cultural impact of globalization in India

With the process of globalization, there is an access to television grew from 20% of the urban population (1991) to 90% of the urban population (2009). Even in the rural areas satellite television has a grown up market. In the cities, Internet facility is everywhere and extension of internet facilities even to rural areas. There is an increase of global food chain /restaurants in the urban areas of India. Excessive Multiplex movie halls, big shopping malls and high rise residential are seen in every cities. Entertainment sector in India has a global market. After economic liberalization, Bollywood expanded its area and showed a major presence in the global scale. The industry began to explore new ways to become more global and modern. In India, modernity is observed with the West. Therefore, Western philosophy began to be incorporated into Bollywood films. As these new cultural messages began to reach the Indian population, Indian moviegoers were pushed to re-evaluate their traditional Indian cultural ideology. Bollywood movies are also distributed and accepted at international level. Big international companies (Walt Disney, 20th Century Fox, and Columbia Pictures) are investing on this sector. Famous International brands such as Armani, Gucci, Nike, and Omega are also making investment in the Indian market with the changing of fashion statement of Indians.

#### 3.5 Impact of globalization on education in India

There is immense effects observed in educational sector due to globalization such as literacy rate become high and Foreign Universities are collaborating with different Indian Universities. The Indian educational system faces challenges of globalization through Information technology and it offers opportunities to evolve new paradigms shifts in developmental education. The distinction between formal, non-formal and informal education will vanish when move from industrial society to information society takes place. Globalization promotes new tools and techniques such as E-learning, Flexible learning, Distance Education Programs and Overseas training.

It is observed in current Indian society that through globalization, women have gained certain opportunities for job options and to recognize women's rights as a part of the human rights. Their empowerment has given considerable opportunities and possibilities of improving employment conditions through global solidarity and co-ordination. It is found that the growth of computer and other technologies enabled women with better waged, flex timings, and capacity to negotiate their role and status in home and at corporate level.

It can be said that Globalization is motivating factor in current business environment. There are few challenges for companies due to globalization such as Migration, relocation, labour shortages, competition, and changes in skills and technology. Globalization powerfully influences the social partners' attitudes since traditional labour relations have to cope with completely new and very dynamic situations. In political field, globalization helps to eradicate poverty, malnutrition, illiteracy, ill-health and fighting cross border terrorism and global terrorism. Globalisation in context of status of women implicates the relegation of the stereotypic pattern of duties of the women like rearing and caring the children to the back ground and taking up the various diversified occupation and thus making their living quite vibrant and alive. Globalisation benefits the schedule caste people in promoting cultural homogeneity in the way of loosening of the ideas of pollution and purity and eradication of untouchability and so many socio-cultural and economic disabilities associated with them. Globalisation of goods has developed enthusiasm in India for western brand names. A consumerist mentality has been carefully fostered. This leads to an adversative impact on the tendency to save or the domestic accumulation of capital. Lastly, in Indian scenario, globalization developed a consumer credit society. Today, people can buy goods and services even if they do not have sufficient purchasing power and the prospect of raising a loan has become easy in the age of globalisation. Credit cards have given boost to consumerism and pushed many households into indebtedness. At the same time globalization has unfavourable impact on mass-media in India. Currently, realistic coverage of events and happening doesn't receive much importance because it doesn't determine the standing of a newspaper or TV channel. Globalisation has brought violation of journalistic ethics in India.

#### 3.6 Conclusion

To summarize, the process of globalization has changed the industrial pattern social life of global people and it has immense impact on Indian trade system. The globalization of the economic, social and cultural structures happened in all ages. Previously, the pace of process was slow. Today with the start of the information technology, new ways of communication have made the world a very small place. With this process, there is a big market place. Globalization has resulted in increase in the production of a range of goods. MNCs have established manufacturing plants all over the world. It has positive effects and India will

overcome many obstacles and adopt global policies to expand business at international scale. India is gaining international recognition and strengthening in economic and political areas.

#### 4. Path of Development- Socialism

Socialism is an economic system where the means of production, such as money and other forms of capital, are owned to some degree by the public (via the state). Under a socialist system, everyone works for wealth that is in turn distributed to everyone. A socialist economic system operates on the premise that what is good for one is good for all and vice versa. Everyone works for their own good and for the good of everyone else. The government decides how wealth is distributed among public institutions.

In a theoretical socialist economy, there is a more limited free market than in an archetypal capitalist economy, and thus the taxes are usually higher than in a capitalist system. There are government-run healthcare and educational systems for taxpayers. Socialist systems emphasize more equal distribution of wealth among the people. According to the socialist view, individuals do not live or work in isolation but live in cooperation with one another. Furthermore, everything that people produce is in some sense a social product, and everyone who contributes to the production of a good is entitled to a share in it. Society as a whole, therefore, should own or at least control property for the benefit of all its members.

This conviction puts socialism in opposition to capitalism, which is based on private ownership of the means of production and allows individual choices in a free market, to determine how goods and services are distributed. Socialists complain that capitalism necessarily leads to unfair and exploitative concentrations of wealth and power in the hands of the relative few who emerge victorious from free-market competition—people who then use their wealth and power to reinforce their dominance in society. Because such people are rich, they may choose where and how to live, and their choices in turn limit the options of the poor. As a result, terms such as individual freedom and equality of opportunity may be meaningful for capitalists but can only ring hollow for working people, who must do the capitalists' bidding if they are to survive.

As socialists see it, true freedom and true equality require social control of the resources that provide the basis for prosperity in any society. Karl Marx and Friedrich Engels made this point in the Manifesto of the Communist Party (1848) when they proclaimed that in a socialist society "the condition for the free development of each is the free development of all." This fundamental conviction nevertheless leaves room for socialists to disagree among themselves with regard to two key points.

The first concerns the extent and the kind of property that society should own or control. Some socialists have thought that almost everything except personal items such as clothing should be public property; this is true, for example, of the society envisioned by the English humanist Sir Thomas More in his Utopia (1516). Other socialists, however, have been willing to accept or even welcome private ownership of farms, shops, and other small or medium-sized businesses.

The second disagreement concerns the way in which society is to exercise its control of property and other resources. In this case the main camps consist of loosely defined groups of centralists and decentralists. On the centralist side are socialists who want to invest public

control of property in some central authority, such as the state—or the state under the guidance of a political party, as was the case in the Soviet Union. Those in the decentralist camp believe that decisions about the use of public property and resources should be made at the local, or lowest-possible, level by the people who will be most directly affected by those decisions. This conflict has persisted throughout the history of socialism as a political movement.

## **Pros and Cons of Socialism**



- Reduces income inequality
- Social stability and infrastructure
- Greater rights for workers and individuals



- Depends on cooperation
- Government may abuse power
- Fewer rewards for innovation

# 4.1 Pros Explained

Reduces income inequality: In socialism, wealth is distributed among the population, and relative poverty is reduced. Social stability and infrastructure: With programs such as universal basic income, universal health care, and tax-funded education, individuals may be less likely to fall upon hard times.

Greater rights for workers and individuals: Socialism protects workers from exploitation, because they own the means of production. There are often strict labor laws in place as well.

# 4.2 Cons Explained

Depends on cooperation: In socialism, the idea is that everyone is working together toward the same goals. However, there is no guarantee that individuals will always want to cooperate with each other.

Government may abuse power: The government decides how wealth should be distributed, but a corrupt government could mean that resources and wealth are not distributed fairly. Fewer rewards for innovation: Socialism doesn't depend on competition, which means that workers and businesses might not be interested in continually improving their products and services.

#### **4.3 Mixed Economies**

Most counties have a blended economic system that includes elements of both capitalism and socialism. In many socialist countries—like Sweden, for example—there are still private businesses as well. In the U.S There are many government-run programs that are funded through taxes, including Social Security, Medicaid, banking bailouts, and public schools.

#### 4.4 Capitalism and Socialism

#### Indian Socialism:

Socialism in India is a political movement founded early in the 20th century, as a part of the broader movement to gain Indian Independence from colonial rule. The movement grew quickly in popularity as it espoused the causes of India's farmers and labourers against the zamindars, princely class and landed gentry.

Socialism shaped the principal economic and social policies of the Indian government but mostly followed Dirigism after independence until the early 1990s, when India moved towards a more market based economy. However, it remains a potent influence on Indian politics, with many national and regional political parties espousing democratic socialism.

Small socialist revolutionary groups arose in India in the aftermath of the Russian Revolution. The Communist Party of India was established in 1925, but socialism as an ideology gained a nationwide appeal after it was endorsed by leaders such as Jawaharlal Nehru. Socialists were amongst the first to call for outright Indian independence from colonial rule. Under Nehru, the Indian National Congress, India's largest political party, adopted socialism as an ideology for socio-economic policies in 1936. Socialists and communists also engineered the Tebhaga movement of farmers in Bengal against the landed gentry. However, mainstream Indian socialism connected itself with Gandhism and adopted peaceful struggle instead of class struggle.

After India's independence in 1947, the Indian government under prime ministers Nehru and Indira Gandhi oversaw land reforms and the nationalisation of major industries and the banking sector. Independently, activists Vinoba Bhave and Jayaprakash Narayan worked for peaceful land redistribution under the Sarvodaya movement, where landlords granted land to farm workers out of their own free will.

In the 1960s, the Communist Party of India formed India's first democratically elected communist government when it won elections in the states of Kerala and later West Bengal. However, when a global recession began in the late 1970s, economic stagnation, chronic shortages and state inefficiency left many disillusioned with state socialism. In the late 1980s and 1990s, India's government began to systematically liberalize the Indian economy by pursuing privatization, aiming to attract foreign investment.

## 5. Path to Development: Mixed Economy

A mixed economy is an economic system in which both the government and the private sector exercise control over the economy. It is the middle path between the capitalistic and socialistic economic systems. A mixed economic system protects private property and allows for some economic freedom in the use of capital, but it also allows governments to intervene in economic activities to achieve social goals. Some of the countries practicing mixed economy are the United States, the United Kingdom, Iceland, India, and Sweden among many countries.

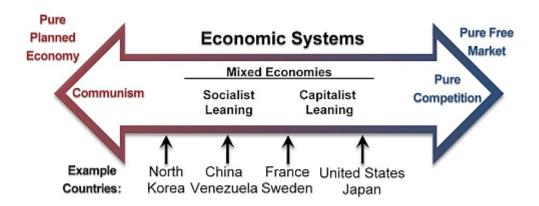
## 5.1 What is a Mixed Economy?

A mixed economy, as the name implies, is a winning mixture of a command and a market economy. As a result, it adheres to both the pricing mechanism and central economic planning and supervision.

Both private corporations and governmental or state-owned enterprises own the means of production. While market forces determine pricing, demand, supply, and other factors, the government maintains some control to avoid monopolization and discrimination.

The goal of a Mixed Economy is to address the flaws of both a capitalist and a socialist economy in order to create a unique system. It values the principle of private property and resource ownership as well as the freedom that comes with it.

At the same time, it recognizes the dangers of unchecked capitalism. As a result, it advocates government control and economic planning to ensure that the poorest citizens are not discriminated against.



# **5.2 Features of Mixed Economy**

Coexistence of All Sectors: In a mixed economy, all three sectors, namely the private, public, and joint sectors, coexist in peace. The government and private enterprises administer the joint sector together, with the government owning at least 51 percent of the company.

**Cooperative Sector:** Another sector exists in a mixed economy i.e., the cooperative sector. The primary goal of forming this sector is for the government to offer financial aid to

cooperative societies in the warehouse, agricultural, and dairy industries, among other industries. Individuals have the freedom to generate goods and services, own property, pick their career, and choose or demand the products/services they desire. However, the state retains some supervision over monopolistic behaviors and discrimination against the poorer classes.

**Economic Planning:** We have a central planning body in a mixed economy. To reach various aims and goals, all sectors of the economy follow the state's economic plan. The plan is not set in stone, but rather serves as a basic guideline for the country's economic progress and prosperity.

**Social Welfare:** Social welfare is one of the fundamental goals of a mixed economy. Its goal is to close the wealth gap in the country and combat societal inequities. Poverty and unemployment are to be reduced. Simultaneously, increase social security, public health care, and the public education system, among other things.

#### **Mixed Economy - Benefits**

Private Sector Encouragement: The most essential benefit of a mixed economy is that it encourages the private sector and gives it the opportunity to flourish. It causes the country's capital creation to rise.

**Freedom:** In a mixed economy, as in a capitalist system, there is both economic and occupational freedom. Every individual has the freedom to pursue any employment he or she chooses. Similarly, each producer has the ability to make judgments about production and consumption.

Optimal Resource Utilization: In this system, both the commercial and public sectors collaborate to make the most effective use of resources possible. The public sector works for the common good, whereas the private sector makes the best use of these resources in order to maximize profit.

Economic Planning Benefits: In a mixed economy, economic planning has all of its benefits. The government takes steps to address economic instabilities and other economic ills.

Lower Economic Disparities: Capitalism exacerbates economic inequalities, but in a mixed economy, inequalities are more easily addressed by government initiatives.

Rivalry and Efficient Production: The degree of efficiency stays high due to competition between the private and governmental sectors. In the prospect of profit, the components of production operate efficiently.

**Social Welfare:** Under this system, social welfare is given top priority through sound economic planning. The government has complete authority over the private sector. The private sector's production and pricing practices are geared toward maximizing societal welfare.

Economic Development: Under this system, the government and the private sector work together to construct socio-economic infrastructures. In addition, the government enacts several legislative measures to protect the interests of the poor and vulnerable. As a result, for any developing country, a mixed economy is the best option.

## **5.3 Mixed Economy - Demerits**

Instability: According to some economists, mixed economies are the most unstable in nature. The public sector reaps the greatest rewards, while the private sector is kept under check.

Sector Inefficiency: Under this arrangement, both sectors are inefficient. The private sector does not have complete independence, and as a result, it is rendered ineffectual. As a result, the public sector becomes ineffectual. Both industries are, in a way, not just competitive, but also complimentary.

Ineffective Planning: In a mixed economy, there is no such thing as comprehensive planning. As a result, the government has no authority over a significant portion of the economy.

Efficiencies are lacking in this system, and both sectors suffer as a result. In the public sector, this is because government personnel does not carry out their responsibilities responsibly, but in the private sector, efficiency suffers because the government imposes too many limitations in the form of controls, permissions, and licenses, among other things.

Delays in Economic Choices: In a mixed economy, certain decisions are usually delayed, especially in the public sector. This sort of lag always creates a significant impediment to the economy's proper operation.

Resource Waste: Another issue with the mixed economic system is resource waste. A portion of the funding given to various public-sector programs ends up in the pockets of middlemen. As a result, resources are squandered.

Corruption and Black Marketing: This system is rife with corruption and black marketing. Political parties and self-interested individuals benefit unduly from the public sector. As a result, numerous evils develop, such as black money, bribes, tax evasion, and other illicit acts. All of these things add to the system's red tape.

#### 5.4 Why India Adopted Mixed Economy?

After independence, India's socioeconomic situation made it difficult for either the public or private sectors to shoulder the burden of development alone. To deal with issues such as per capita income, a large portion of the population working in the primary sector, a high birth rate, severe unemployment, and low capital formation, unequal wealth distribution, illiteracy, a lack of technical knowledge, poor human resource quality, and so on, it became critical to adopt an economic system that could bring about the growth that was conducive to or in relation to the prevailing environment. Thus, India adopted a mixed economy.

#### 5.5 Conclusion

A mixed economic system protects private property and permits some economic freedom in capital allocation, but it also allows governments to intervene in economic activity to achieve social goals. Thus, it is one of the most important economic systems existing in the world.

#### 6. Path to Development: Gandhian

#### 6.1 What is Gandhian ideology?

- Gandhian ideology is the set of religious and social ideas adopted and developed by Mahatma Gandhi, first during his period in South Africa from 1893 to 1914, and later in India.
- Gandhian philosophy is not only simultaneously political, moral and religious, it is also traditional and modern, simple and complex. It embodies numerous Western

- influences to which Gandhiji was exposed, but is rooted in ancient Indian culture harnessing universal moral & religious principles.
- The philosophy exists on several planes the spiritual or religious, moral, political, economic, social, individual and collective.
- The spiritual or religious element, and God, are at its core.
- ➤ Human nature is regarded as fundamentally virtuous.
- All individuals are believed to be capable of high moral development, and of reform.
- Gandhian ideology emphasises not on idealism, but on practical idealism.
- Gandhian philosophy is a double-edged weapon. Its objective is to transform the individual and society simultaneously, in accordance with the principles of truth and non-violence.
- Gandhiji developed these ideologies from various inspirational sources vis Bhagvad Geeta, Jainism, Buddhism, Bible, Gopal Krishna Gokhale, Tolstoy, John Ruskin among others.
- Tolstoy's book 'The Kingdom of God is within you' had a deep influence on Mahatma Gandhi.
- Gandhiji paraphrased Ruskin's book 'Unto this Last' as 'Sarvodaya'.
- These ideas have been further developed by later "Gandhians", most notably, in India by, Vinoba Bhave and Jayaprakash Narayan and outside of India by Martin Luther King Jr. and others.

# 6.2 Major Gandhian Ideologies

- Truth and nonviolence: They are the twin cardinal principles of Gandhian thoughts.
- For Gandhi ji, truth is the relative truth of truthfulness in word and deed, and the absolute truth the ultimate reality. This ultimate truth is God (as God is also Truth) and morality the moral laws and code its basis.
- Nonviolence, far from meaning mere peacefulness or the absence of overt violence, is understood by Mahatma Gandhi to denote active love the pole opposite of violence, in every sense. Nonviolence or love is regarded as the highest law of humankind.
- > Satyagraha: Gandhi ji called his overall method of nonviolent action Satyagraha. It means the exercise of the purest soul-force against all injustice, oppression and exploitation.
- > It is a method of securing rights by personal suffering and not inflicting injury on others.
- ➤ The origin of Satyagraha can be found in the Upanishads, and in the teachings of Buddha, Mahavira and a number of other other greats including Tolstoy and Ruskin.
- Sarvodaya- Sarvodaya is a term meaning 'Universal Uplift' or 'Progress of All'. The term was first coined by Gandhi ji as the title of his translation of John Ruskin's tract on political economy, "Unto This Last".

Swaraj- Although the word swaraj means self-rule, Gandhi ji gave it the content of an integral revolution that encompasses all spheres of life.

For Gandhi ji, swaraj of people meant the sum total of the swaraj (self-rule) of individuals and so he clarified that for him swaraj meant freedom for the meanest of his

countrymen. And in its fullest sense, swaraj is much more than freedom from all restraints, it is self-rule, self-restraint and could be equated with moksha or salvation.

- Trusteeship- Trusteeship is a socio-economic philosophy that was propounded by Gandhi ji.
- It provides a means by which the wealthy people would be the trustees of trusts that looked after the welfare of the people in general.
- ➤ This principle reflects Gandhi ji's spiritual development, which he owed partly to his deep involvement with and the study of theosophical literature and the Bhagavad Gita.
- Swadeshi The word swadeshi derives from Sanskrit and is a conjunction of two Sanskrit words. 'Swa' means self or own and 'desh' means country. So swadesh means one's own country. Swadeshi, the adjectival form, means of one's own country, but can be loosely translated in most contexts as self-sufficiency.
- > Swadeshi is the focus on acting within and from one's own community, both politically and economically.
- ➤ It is the interdependence of community and self-sufficiency.
- ➤ Gandhi ji believed this would lead to independence (swaraj), as British control of India was rooted in control of her indigenous industries. Swadeshi was the key to the independence of India, and was represented by the charkha or the spinning wheel, the "center of the solar system" of Mahatma Gandhi's constructive program.

#### 6.3 Relevance of Gandhi in Today's Context

- The ideals of truth and nonviolence, which underpin the whole philosophy, are relevant to all humankind, and are considered as universal by the Gandhians.
- More than ever before, Mahatma Gandhi's teachings are valid today, when people are trying to find solutions to the rampant greed, widespread violence, and runaway consumptive style of living.
- ➤ The Gandhian technique of mobilising people has been successfully employed by many oppressed societies around the world under the leadership of people like Martin Luther King in the United States, Nelson Mandela in South Africa, and Aung San Suu Kyi in Myanmar, which is an eloquent testimony to the continuing relevance of Mahatma Gandhi.
- ➤ Dalai Lama said, "We have a big war going on today between world peace and world war, between the force of mind and force of materialism, between democracy and totalitarianism." It is precisely to fight these big wars that the Gandhian philosophy needed in contemporary times.

#### 6.4 Conclusion

Gandhian ideologies shaped the creation of institutions and practices where the voice and perspective of everyone can be articulated, tested and transformed. According to him, democracy provided the weak with the same chance as the strong. Functioning on the basis of voluntary cooperation and dignified & peaceful co-existence was replicated in several other modern democracies. Also, his emphasis on political tolerance and religious pluralism holds relevance in contemporary Indian politics. Truth, nonviolence, Sarvodaya and Satyagraha and their significance constitute Gandhian philosophy and are the four pillars of Gandhian thought.

## 7. Socio-Economic Inequality in India

That India is a highly unequal economy is beyond contestation. India's household surveys tend to massively underreport consumption, income and wealth. Moreover, it's hard to dispute the notion that Covid-19 has deepened existing fault lines, exacerbating entrenched inequalities. The rise in the fortunes of the very rich during this period, when juxtaposed against the misery of the millions of migrant workers who had to walk back to their villages, is a stark reminder of the extent of economic disparities. In this context, the latest edition of the World Inequality Report (2022) serves as a useful reminder of the concentration of income at the very top of the pyramid.

#### 7.1 Socio-Economic Inequality in India

- Areas of Inequality: By and large, the discourse on inequality in India tends to centre around disparities in consumption, income, and wealth. However, the country is also marked by high levels of inequalities in "opportunities".
- Factors Affecting Inequality in Opportunities: An individual's class of origin, his/her household of birth, who his/her parents are, tend to have a significant bearing on his/her

- educational attainment, employment and income prospects, and as a consequence, his/her class of destination.
- Characterised by low levels of social mobility across generations, children born in disadvantaged households have a lower chance of moving up the income ladder.
- India-Specific-Findings of World Inequality Report:

According to the report, India is now among the most unequal countries in the world.

In India, the top 10% of the population earns 57% of the national income.

Within the top 10%, the very elite top 1% earns 22%.

In comparison, the share of the bottom 50% in national income has declined to 13%.

The female labour income share is equal to 18% which is significantly lower than the average in Asia [21%, excluding China].

- Impact of Covid-19 Pandemic: Covid has led to a worsening of education inequalities, induced labour market scarring, and exacerbated income inequality which in turn, is quite likely to depress social mobility.
- Impact on Education: The ASER 2021 attests the fact that extended closure of schools and the shift to online modes of education has widened the learning gaps between children from poor and affluent households.
- Younger children from low-income households were more deprived of mediums of learning such as smartphones, tablets, internet etc.
- Moreover, over a fourth of children in households with a smartphone could not access it.
- Impact on Jobs: Since the onset of the pandemic, there has been a decline in labour force participation in India, specially among the women labour-force.
- In the same period, the unemployment rate has risen from 7.5% to 8.6% which implies that among those looking for jobs, those unable to find jobs, perhaps even at lower wages, have risen.
- Among the people with jobs, more are increasingly being employed as casual wage labour.
- The growing "casualisation" or "contractualisation" of the workforce implies an absence of well-paying, productive jobs.

# 7.2 Way Forward

- Nordic Economic Model: To make the current redistribution of wealth more equitable, the current neo-liberal model can be replaced by the 'Nordic Economic Model.'
- This Model consists of effective welfare safety nets for all, corruption-free governance, the fundamental right to quality education & healthcare, high taxes for the rich, etc.
- Political Empowerment: It is the first key ingredient of poverty removal. People with political agency will demand and obtain better education and healthcare.
- It will also erode the structural inequality and sectarian divides in society.

- Redistribution of Wealth: The World Inequality Report, 2022 suggests levying a modest progressive wealth tax on multimillionaires.
- Given the large volume of wealth concentration, modest progressive taxes can generate significant revenues for governments.
- A global effective wealth tax rate of 1.2% for wealth over \$1 million could generate revenues of 2.1% of global income.
- Increasing the Reach of Basic Necessities: Given the growing inequality in India, the direction that public policy should now take is evident; there is a need to spread health and education far more widely amidst the population.
- By ensuring universal access to public funded high quality services like Public health and education, social security benefits, employment guarantee schemes, inequality can be reduced to a great extent.
- Employment Generation: The hindrance in the growth of manufacturing sectors like Textile, Clothing, automobiles, consumer goods etc. is an important reason for rising inequalities.
- Labor-intensive manufacturing has the potential to absorb millions of people who are leaving farming while the service sector tends to benefit the urban middle class.
- Mitigating Wage Inequalities: The International Labour Organisation (ILO) recommends that a minimum wage floor should be set in a manner that balances the needs of workers and their families with broader economic factors.
- Promoting Civil Society: Providing a greater voice to traditionally oppressed and suppressed groups, including by enabling civil society groups like unions and association within these groups.
- > Scheduled castes and Scheduled tribes should be motivated to become entrepreneurs, schemes like Stand up India need to be expanded to widen its reach by increasing funding.
- Imbibing Gender Equality: There is a need to remove barriers to women's full inclusion in the economy, including through access to the labor market, property rights and targeted credit and investments.
- Encouraging more women to become entrepreneurs will provide a long-term solution.
- By creating jobs and furthering investment in health and education, entrepreneurship among women could transform India's economy and society.

#### 7.3 Conclusion

It is clear that Covid-19 pandemic has more severely affected the vulnerable section of the society, especially in terms of employment and education. Concerted efforts are required, for ensuring enabling conditions for these sections to be educated and employed along with social security provisions, to provide them a level playing field in the labour market. Moreover, wealth taxes on the super-rich and a robust redistribution regime could arrest, if not reverse, the current trend of rising inequality.