‘Economics’
“Development”

Introduction

- The idea of development or progress has always been with us.
- Development involves thinking about questions like, what are the essential things that we require, can life be better for all, can there be more equality, etc.

WHAT DEVELOPMENT PROMISES – DIFFERENT PEOPLE, DIFFERENT GOALS:

- People seek things that are most important for them, i.e., that which can fulfil their aspirations or desires.
- In fact, at times, two persons or groups of persons may seek things which are conflicting.
- So, it can be concluded: different persons can have different developmental goals. What may be developed for one may not be developed for the other. It may even be destructive for the other.

INCOME AND OTHER GOALS:

- What people desire are regular work, better wages and decent price for their crops or other products that they produce. In other words, they want more income.
- **People also seek things like equal treatment, freedom, security, and respect for others.**
- In some cases, these may be more important than more income or more consumption because quality of life also depends on non-material things.
- There are many things that are not easily measured but they mean a lot to our lives. These are often ignored.
- However, it would be wrong to conclude that what cannot be measured is not important. Similarly, for development people look at a mix of goals.
- The developmental goals that people have are not only about better income but also about better income but also about other important things in life.

National Development:

- It is very important to keep in mind that different persons could have different as well as conflicting notions of a country’s development.
- **National development means thinking about fair and just path for all**, whether there is a better way of doing things.

HOW TO COMPARE DIFFERENT COUNTRIES OR STATES?

- **Total and National Income:**
- This is the income of all the people living in the country. It is not a useful measure because every country has different population.
- **Average Income:**
- **Total income divided by total population gives average income.**
- Usually, we take one or more important characteristics of persons and compare them based on these characteristics.
- For comparing countries, their income is considered to be one of the most important attributes.
- **Countries with higher income are more developed than others with less income.**
- The income of the country is the income of all the residents of the country. This gives us the total income of the country.

- **For comparison between countries, total income is not such useful measure.**
- Hence, we compare the average income which is the country divided by its total population. The average income is also called per capita income.
- **In World Development Report brought out by the world Bank, per capita income is used in classifying countries.**
- Countries with **per capita income of US$65, 500 per annum and above in 2024, are called rich countries and those with per capita income of US$ 2300 or less are called low-income countries.**
- **India comes in the category of low middle-income countries** because its per capita income in 2024 was just US$11000 per income.

INCOME AND OTHER CRITERIA:

Table 1.3 gives the per capita income of Haryana, Kerala and Bihar. Actually, these figures are of Per Capita Net State Domestic Product at Current Prices for 2021–22. Let us ignore what this complicated term exactly means. Roughly, we can take it to be the per capita income of the state.

TABLE 1.3 PER CAPITA INCOME OF SELECT STATES

State	Per Capita Income for 2021–22 (in Rs)
Haryana	2,64,729
Kerala	2,34,405
Bihar	47,498

TABLE 1.4 SOME COMPARATIVE DATA ON HARYANA, KERALA AND BIHAR

State	Infant Mortality Rate per 1,000 live births (2020)	Literacy Rate % 2017–18	Net Attendance Ratio (per 100 persons) secondary stage (aged 15–17 years) 2017–18
Haryana	28	82	73
Kerala	6	94	94
Bihar	27	62	69

Sources : Economic Survey 2023-24, National Sample Survey Organisation (Report No. 585), National Statistical Office, Government of India; National Family Health Survey (NFHS-5) 2019-21 IIPS, Mumbai.

Explanation of some of the terms used in this table:

***Infant Mortality Rate** (or IMR) indicates the number of children that die before the age of one year as a proportion of 1000 live children born in that particular year.*

***Literacy Rate** measures the proportion of literate population in the 7-and-above age group.*

***Net Attendance Ratio** is the total number of children of age group of 15-17 years attending school as a percentage of total number of children in the same age group.*

PUBLIC FACILITIES:

- Money cannot buy all the goods and services that you may need to live well.
- **Income by itself is not a completely adequate indicator** of material goods and services that citizens are able to use.
- Normally, your **money cannot buy the pollution-free environment** or ensure that you get unadulterated medicines unless you can afford to shift to a community that already has all these things.
- Money may also not be able to protect you from infectious disease unless the whole of your community takes preventive steps.

HUMAN DEVELOPMENT REPORT

- **Human Development Report published by UNDP** compares countries based on the educational levels of the people, their health status and per capita income.

TABLE 1.6 SOME DATA REGARDING INDIA AND ITS NEIGHBOURS FOR 2022

Country	Gross National Income (GNI) per capita (2017 PPP $)	Life Expectancy at birth	Mean Years of Schooling of People aged 25 and above	HDI Rank in the world (2021-22)
Sri Lanka	11,899	76.6	11.2	78
India	**6,951**	**67.7**	**6.5**	**134**
Myanmar	4,038	67.3	6.5	144
Pakistan	5,374	66.4	4.4	164
Nepal	4,026	70.5	4.5	146
Bangladesh	6,511	73.7	7.4	129

Source : Human Development Report, 2023–24, United Nations Development Programme, New York.

NOTES

1. *HDI stands for Human Development Index. HDI ranks in above table are out of 193 countries in all.*
2. *Life Expectancy at birth denotes, as the name suggests, average expected length of life of a person at the time of birth.*
3. *Per Capita Income is calculated in dollars for all countries so that it can be compared. It is also done in a way so that every dollar would buy the same amount of goods and services in any country.*

SUSTAINABILITY OF DEVELOPMENT:

- Since the second half of the twentieth century, a number of scientists have been warning that the present type, and levels, of development are not sustainable.
- Recent evidence suggests that the groundwater is under serious threat of overuse in many parts of the country.
- **About 300 districts have reported a water level decline of over 4 metres during the past 20 years.**
- Nearly one-third of the country is overusing their groundwater reserves.
- **In another 25 years, 60 per cent of the country** would be doing the same if the present way of using this resource continues.
- **Groundwater overuse is particularly found in the agriculturally prosperous regions of Punjab and Western U.P., hard rock plateau areas of central and south India, some coastal areas and the rapidly growing urban settlements.**
- In the case of groundwater, if we use more than what is being replenished by rain then we would be overusing these resources.
- **Non-renewable resources are those which will get exhausted** after a few years of use.
- We have a fixed stock on earth which cannot be replenished.
- We do discover new resources that we did not know of earlier.
- New sources in this way add to the stock. However, over time, even this will get exhausted.
- Consequences of environmental degradation do not respect national or state boundaries.
- Sustainability of developments comparatively a new area of knowledge in which scientists, economists, philosophers and other social scientists are working together.

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