CHAPTER-1

POLITICS OF DEVELOPMENT: A THEORETICAL FRAMEWORK
Tibet is known to world as a spiritual land of lamas and monks. It has always drawn attention of world because of its unique geography, natural beauty, spiritualism and perennial mystique. But what led Tibet to make its mark in the evolution of China-South Asia ties was ascendance of Buddhism around 9th century AD. This made Tibet a highly pacifist society and thus dependent on external military power for dealing with threats from both within and outside (Norbu, 2001). Tibet’s emergence on imperial chess board of Asia was due to its difficult terrain as well as decentralization and apathy to building great military strength. These factors establish it as a buffer of last post of various expanding and shrinking empires since early medieval period. At some point of time empires of Russia, China or Mongolia evolved access to Tibet’s rulers and then tried to wield influence in matters of policy and succession amidst this ritualistic world of lamas (Kolmas, 1967). Indian connection to Tibet has unambiguously ancient roots but nature of this relation was purely cultural and commercial until and unless in 18th century AD, when expansion of British Empire in India arrived at Tibet’s borders and became interested in it. On the other hand, Chinese relations with Tibet were predominantly territorial, administrative, militaristic and political in their core nature. Chinese were added with culture and commerce although its nature was peripheral. In 20th century after the devastating Second World War Tibet remained no more at chess board of either British or Russian empire. Russian’s gave up their imperial clutch in favour of communist China and India that inherited legacy of the British Empire, failed to keep track of British strategic thinking and ultimately lost Tibet. China got free hand to play with Tibet in framework of Mao’s agenda and hence announced liberation of Tibet in 1950.

Basic framework of Beijing’s Tibet policy has not changed over the course of the last two decades. In congruence with earlier Chinese policy, Beijing’s stance on Tibet has always been at all times designed to ensure that the region and the people living there remained an integral part of China. In fact Beijing’s position on Tibet has always been grounded by concerns about defending Chinese sovereignty specifically its jurisdictional sovereignty over the region. Beijing’s act to secure its sovereign rights over Tibet, which has actually varied in a significant fashion over the course of two distinct phases. During the initial phase, in the late 1970s and early 1980s, Chinese actions seemed to concede that jurisdictional sovereignty was not just a privilege to be invoked by Beijing and imposed on Tibet, but rather a right that was at least partly contingent on the acceptance of Chinese rule by those in the region and the international community at large. During the second stage, which began in late 1987 and continues today, Beijing’s position on Tibet has been defined by highly critical discursive moves, pointed diplomatic activity, a
renewed commitment to use force to silence all opposition to Chinese rule, and the utilization of economic development programs to consolidate such efforts. In taking such a stance Beijing returned to substantiating its claim of jurisdictional sovereignty over the region via policies of assertiveness rather than consultation. Regardless of the economic or political cost to Beijing, Chinese sovereignty over Tibet was to be defended, protected, and reinforced. Cutting against such a trend, there have been limited signs of a slight moderation in Beijing's stance on Tibet over the last few years (especially concerning talks with the Dalai Lama and development of Tibet), and such moves have again created an air of cautious optimism about the future of Sino-Tibetan relation.

The explanations of these issues hinge on three factors: the underlying strategic value of Tibet to Beijing, within the regional security dynamic; the persistence of historically conditioned, sovereignty-centered values in elite circles in China; and Deng Xiaoping's policy of reform and opening (Norbu 2000:542). The first of these factors acts as a constant touchstone for all Chinese policies. Quite simply, China's advantageous geographic position in South and Central Asia would be seriously undermined by the loss of Tibet. Therefore, straightforward national security concerns preclude any serious consideration of ceding China's claim to Tibet. The second factor creates a level of concern about the possible loss of Tibet and hypersensitivity to any internal or international developments that appear to jeopardize Chinese rule over the region. This idea directed Chinese objective strategic calculations and infuses its position with a defensive hue. The third factor inadvertently introduces a new set of pressures for change. Initially Deng's line created an opening for novel solutions to the unsettled situation in Tibet. At this juncture in the late 1970s, the motivation for change was largely domestic, although international strategic considerations also played a role in framing the shift in Chinese policy. In contrast, it was the convergence of external pressures and internal opposition that caused the pronounced and costly contraction in Chinese practices during the mid-1980s (spurred by a surge in historically grounded nationalist narratives that crystallized China's claims over Tibet). Such a turn was sustained in the 1990s by Chinese decision makers' unrelenting commitment to overcome continued opposition within Tibet to Chinese rule (a movement that was given limited material support from external sources) and the perceived rise of new "self-determination" norms in the international arena. Chinese policies of economic development of Tibet, especially in view of western development programme, surfaced many views. Western development programme has been viewed as imperial design of communist China to exploit natural resources of Tibet in order to meet the growing demand of mainland Chinese economy.
and consolidating their position in global power spectrum. Before entering into detailed
discussion on impact and policy implication of developmental programmes, we need to
establish a frame work of Development on which Chinese developmental model and
policies can be evaluated.

1. BRIEF SURVEY OF DEVELOPMENT

Though the term “development” may mean different things to different people, it is
important at the outset that we have core perspective on the meaning. Without such
perspective and some agreed measurement criteria, it would be difficult to determine
which country was actually developing and which is not. Development narrates its
meaning from economic development and economic growth. “Economic growth means
more output, while economic development implies both more output and changes in the
technical and institutional arrangement by which it is produced and distributed” (Kindle
Burger, 1958). The economic growth is related to a quantitative sustained increase in the
country’s per capita output or income accompanied by expansion in its labour force,
consumption, capital and volume of trade. On the other hand, economic development is a
wider concept than economic growth. It is related to qualitative changes in economic
wants, goods, incentives, institutions productivity and knowledge or the “upward
movement of the entire social system” (Myrdal, 1960). In fact economic development
embraces both growth and decline. An economy can grow but it may not develop because
poverty, unemployment and inequalities may continue to persist due to the absence of
technological and structural changes.

Development is a normative concept referring to a multi dimensional process.
Some scholar argues that development must be relative to time, place and circumstances
and dismiss any universal formula. According to Oxford Concise Dictionary of politics,
“Development is increasing economic efficiency, expansion of national economy
capacity, technological advancement”. Additional ingredients attached by writers from
various social sciences streams, including in social structure, attitudes, and motivation,
specify the purpose of economic improvement. Increase in gross national product (GNP)
and average real incomes are means, not ends. In some accounts due to the increase of
general social welfare which embraces even spiritual and cultural attainments, personal
dignity and group esteem, development is defined as the fulfillment of the necessary
conditions for the realisation of the potential of human personality. At its simplest,
development is the increasing satisfaction of basic needs as for food. However
Controversy surrounds to the extent of such needs. Is education one of them?
Development is customarily translated into improvements in certain social indicators and indicators of the (physical) quality of life, such as life expectancy. Ideas of development engender debate over the theoretical and empirical relationships between the rate and pattern of economic growth, the distribution of the benefits and equity. Other conditions that have been included in development are increasing national self determination, predicated on the notion that development is something a country does to itself and means reducing external dependency. More fashionable now are environmentally sustainable development, or the development that meets the needs of present without compromising the ability of future generation to meet their own needs, and feminist theories of development that emphasize gender and women’s issues specially. Democratization, accountable government and respect for human rights have also become more prominent recently, as features of political development are contained by the generic sense of development. Development, then, means value increased freedom. After all, the most basic need of all may be the freedom to define your own needs, talking part in decision that affects your own life. Economic development cannot be divorced from the other aspect of development. Its principal contribution is to enhance the range of human choice for all member of society without discrimination. Modern observer of Third World argue that whatever else development is it must be participatory - a ‘bottom up’ exercise, where ordinary people understand, initiate and control the process. (Olle Tornquist 1999:20)

It has been witnessed that the definition of development has changed over the past five decades with the changes in economic, political, and social trends. The study of development usually includes the application of methodologies and conceptual models borrowed from anthropology, economics, political science, and sociology (Klaren and Bossert 1986; Martinussen 1997; Roberts and Hite 2000; Weaver 1997). A somewhat simplified, but useful way of distinguishing various development theories is to classify them according to where the causal explanations lie: internally (endogenous explanations) or externally (exogenous explanations). For example, social theories that focus on internal characteristics of society, such as cultural values to explain development include Modernization theory; whereas World Systems theory place more importance on external relations among countries to explain differences in development. Similarly, economic development theories that focus on internal economic forces belong to development economics theories; whereas macroeconomic growth theories focus on external economic forces that produce growth. In consequence, each theory also defines an internal or external policy space where development strategies are to be carried out. Modernization development strategy implies internal changes in either societal cultural values and in
social and political institutions in order to achieve development, (Deutsch 1961; Hibbs 1973; Levy 1966; Olson 1963; Parsons 1964).

Dependency and World Systems development strategies, on the other hand, suppose external changes in the core-periphery relations between dependent and independent nations (Cardoso 1972; Chase-Dunn 1975; Janvry and Garramon 1977b; Street and James 1979). Many of the original theories of development were first and foremost economic theories. Micro-level economic analysis is concerned with economic transformation produced by structural transformation and institutional change (Hayami and Ruttan 1970; Olson 1996), the study of demographic transition (Nerlove 1974), the constraints of the natural resources (Echeverria 1997; Musu and Lines 1995), and income distribution (Kanbur 1997; Kuznets 1955; Sen 1981). On the other hand, early macro level economic analysis has traditionally been concerned with the formulation of economic growth models (Domar 1946; Harrod 1939; Lucas 1988; Romer 1983; Solow 1956; Swan 1956), whereas new growth theory places more importance on endogenous factors such as knowledge and human capital for economic growth (Grossman and Helpman 1994; Romer 1990). From these economic perspectives, understanding the differences in development is equivalent to understanding the characteristics of an economy and the causes of economic growth.

1.1 Traditional Measures and Models of Development

Strictly in economic terms, development has traditionally meant the capacity of a national economy, whose initial economic condition has been more or less static for a long time, to generate and sustain an annual increase in its gross national product (GNP) at rates of perhaps 5% to 7% or more1. A common alternative economic index of development has been the use of rates of growth of income per capita or per capita GNP, to take into account the ability of a nation to expand its output at a rate faster than the growth rate of its population. Levels and rates of growth of "real" per capita GNP (monetary growth of GNP per capita minus the rate of inflation) are normally used to measure the overall economic well-being of a population by taking into consideration how much of real goods and services is available to the average citizen for consumption and investment. Economic development in the past has also been typically seen in terms of planned alteration of the structure of production and employment so that agriculture's share of both declines and that of the manufacturing and service industries increases. Development strategies have therefore usually focused on rapid industrialization, often at the expense of

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1 A measure similar to GNP; known as the gross domestic product, or GDP, is also used.
agriculture and rural developments. On the whole, at least therefore, prior to 1970, development was nearly always seen as an economic phenomena in which rapid gains in over all and per capita GNP growth would either “trickle down” to the masses in the form of jobs and other economic opportunities or create the necessary conditions for the wider distribution of the economic and social benefits of growth. Traditional economic measures can be explained through classical notions of political economy. Some illustrations are as follows:

1.1.1 Development through Market Mechanism

Adam Smith's *Invisible Hand* Theory, as well as the hypothesis on accumulation and investments of profits as engines of growth has played prominent roles in development debates. The critical role of *market mechanisms*, operating as the *invisible hand* ensured that production and demand in society was organized in the best interests of all. “There may be producers who will try to sell inferior goods at high prices, but if the producers are competing they will all eventually be forced to deliver proper goods at reasonable prices” (Smith 1776:179). Perfect competition in markets guarantees that production is adjusted to fluctuations in demand. According to Smith (1979), economic growth results from market mechanisms, i.e. the market expands as a result of population growth or territorial expansion. If population grows or a territory expands, this will lead to an increase in demand, and in consequence, growth in production and furthermore, economic growth. On an individual level, competition increase specialization among producers, which in turn leads into higher productivity per working hour, trend identified as the increased division of labor. The discussion on the role that markets play in economic growth strategies continually resurfaces in development research. Smith’s economic model made two assumptions: one, that markets function with “perfect” information; and two, that markets do not fail. Especially after the recent East Asian experience, these two assumptions have been challenged by the fact that markets do fail, in part due to imperfect information, and that markets are more susceptible to actions taken by the state (Martinussen 1997).

1.1.2 Comparative or Competitive Advantage

Smith's economic theory was further developed by British economist David Ricardo, with his well-known theory of comparative advantages. This theory explains why even though specific sectors of an economy that do not exhibit an absolute advantage over others, may have a comparative advantage that allow them to compete better. Thus, economies
compete with each other with goods or services that exhibit comparative advantages, in other words, by the theory of comparative advantages competition among economies produce an increase in the specialization of the economies. In consequence, in order to achieve economic growth each economy should concentrate its production in areas where it exhibits comparative advantages in relation to other economies (Martinussen 1997). Most of economic development theories measure achievements in development by increases in economic growth. However, an earlier distinction between economic growth and development traces back to 1934 proposed by Joseph Schumpeter. Development literature has benefited from Schumpeter's distinctions between growth and development, and the importance of the individual as an entrepreneur or innovator in the evolution of capitalism.

Historical survey of theories of development clearly reflects that classical theorist and welfare theorist and even most of the modern theorist believe that economic growth leads towards development. Generally these theories identify development as advancement in economies; it means advancement in GDP, NNP, per capita income, balance of payment, investments, capital accumulation, foreign trade etc. Welfare theorist contributed in terms of role of state in resource distribution but their fundamental notion about development was same. Here are the names of some theories, basically they all are the ‘theory of Growth’.

1.1.3 Rostows’ Stages of Growth

According to W. W. Rostow (1960) an American developmental theorist, the transition from underdevelopment to development must precede along a series of steps that is different stages. He identified four stages of growth these are as below:

i) Traditional society

ii) Pre-conditions for take-off

iii) Take-off

iv) Age of mass consumption

Rostows (1960) argued that the developing countries were still at a stage in which the “preconditions” for “take-off” were not present. The industrialized countries developed because they had fulfilled the conditions necessary for the “take-off” towards self sustaining economic growth. Rostow implied that the developing countries had only to replicate similar conditions to attain development. They had only to mobilize enough
domestic and foreign savings to finance investment in order to attain the objectives of development. Rostow even went as far as to suggest that once a country was able save 15-20 per cent of its Gross National Product (GNP), it would automatically reach the “take-off” stage. Events, since the theory was first presented, have clearly proved its inadequacies. For instance, India has consistently managed a high rate of saving without being able to solve many of its developmental objectives. Clearly, this mechanical approach towards development has proved to be insufficient.

1.1.4 The Lewis Theory of Development

During the 1950s Arthur Lewis put forward a different theory of development. According to Lewis, underdeveloped countries are characterized by the presence of two sectors.

i) The traditional rural sector, which is of the nature of a subsistence economy. It means no production for trade or no surplus for trade and commerce. Production only for self-consumption within this sector. This sector also has a surplus of labour.

ii) The modern urban industrial sector where productivity is higher or surplus after self consumption. Arthur Lewis (1955) argued that labour can be transferred from the rural to the urban sector without adversely affecting productivity in the rural sector. He thus envisioned a dynamic role for the industrial sector, which would lead to sustained economic development. This theory, though correct in its description of situations prevailing in large parts of the developing world, but inefficient in terms of its ability to suggest measures leading to development. It, for instance, ignores the fact that unemployment is also a problem of urban areas as well as rural areas. This means that surplus rural labour cannot be meaningfully absorbed by the urban industrial sector.

According to early classical economic growth models, sustained rates of savings and investment guarantee the transition from slow to rapid economic growth (Domar 1946; Harrod 1939). The Harrod-Domar model predicted steady state growth as a result of applying development techniques designed to increase saving rates and encourage investment in heavy industry. Further refinements of the models included adding a representation of technology coefficient as explanatory variable (Solow, 1957).

Technological change replaced growth of capital equipment as the primary source of growth, but by doing so assigned minor roles to everything else. Alternative neo-classical endogenous growth theory proposed equilibrium models of endogenous technical change in which long term growth is driven by the accumulation of knowledge (Romer, 1994). The production of new knowledge will exhibit decreases in returns at firm
level, but will generate general positive-external effects on the production technology of other firms (Langlois, 2001). The inclusion of knowledge in the economic growth literature was articulated by Kenneth Arrow (1962), as a “good that once created, can spill over to others at zero marginal cost”. The process of spillover is the source of increasing returns that in turn, generates economic growth. Arrow’s zero cost spillover effect of knowledge has been contested by the fact that technological knowledge cannot be transmitted easily to others. In fact, some of the costs include the quantification of the learning process carried out through imitation and apprenticeship. Other alternatives to neo-classical models included human capital as the engine of economic growth (Lucas 1988). Thus, the growth of human capital is explained by increases in schooling, or by increases in the “learning by doing” effort devoted to the production of new goods. Subsequent endogenous growth models identified increases in the openness to international trade, human capital investment, and controlled population growth as the key variables that hold the potential for long term economic growth.

Despite answers to economic growth furnished by economic models, answers to fundamental questions in development faced by developed and developing countries are different, in part due to differences in institutional and social arrangements. Prevailing socio-political conditions within a society cannot be ignored when applying economic models. Contemporary analysis of economic growth and development gives greater recognition to human capital, but this does not necessarily mean an adequate understanding of the importance of the individual and societies in the development process (Sen, 1996). Whether from an individual or societal perspective, in some of the more recent contributions to development theories, considerably more attention is being paid to cultural aspects, their complexity and diversity, and to the ways in which culture specific conditions affect development strategies (La Porta, Lopez-de-Silanes, Shleifer and Vishny 1997; Livernash and et. al. 1993; Perry 1992). Thus meaning of development has cultural dimension that cannot be fully covered in terms of economic growth, technology or developed human capital.

As briefly described, until the 1950s there was a widespread tendency to reduce the problems of development to economic problems. Theories of development were theories of economic growth and transformation rarely concerning themselves with internal social, political or cultural considerations. They paid very attention to prevailing power relations, cultural or social preconditions for economic reform. They normally failed to consider, for example whether governments had the administrative capacity or political will to implement the suggested economic development strategies. It can be
noted here that traditionally growth was taken as the single most, if not the only indicator of development. The use of Gross National Product (GNP) or the Gross Domestic Product (GDP) as the indicator of development has been criticized on several counts. One of the main arguments against its use is the contention that GNP as an average level of income (per capita) ignores the inequality in the distribution of national income. It also ignores the availability and utilization of goods and services and has nothing to say on availability or otherwise of a whole range of basic needs such as health, education, water, shelter, etc. It tends to conceal the lower than average condition of the deprived. Given these deficiencies of GNP/GDP as an indicator, several alternative contending indicators of development have been suggested at different junctures by social scientists. In the recent literature, the Human Development Index (HDI), which goes well beyond the income criterion and includes other indicators of well being, has acquired a prominent place. United Nations Development Programme (UNDP) has been publishing Human Development Reports for almost a decade-and-a-half now and these reports rank countries in terms of a composite indicator by aggregating heterogeneous components such as life expectancy, infant mortality, literacy, etc., by assigning weights to each one of them. Each indicator is on a scale between 0 to 1, the latter being indicative of "best performance" and the former that of "worst performance". Given that such an operational measure requires some prior judgement about what weights to assign to each of the heterogeneous criteria while aggregating them, as well as what criteria to have in the first place, there is bound to be a multiplicity of perspectives and operational measures. Thus no one composite measure can be said to be perfect, but generally speaking these can be considered a significant advance over the conventional measure of development. For this reason, UNDP's human development rankings are obviously a welcome development.

As one may expect, in the case of advanced countries, there is a high, although not perfect, correlation between per capita income ranking and HDI 2003. The second richest country in the world, namely the USA, loses just five places in terms of human development ranking. When it comes to developing countries, however, the association between the two becomes quite topsy-turvy and there are countries that lose heavily in terms of human development ranking as compared to the ranking in terms of per capita income only. For example, Botswana loses by 65 places and Equatorial Guinea by 78 places, and there are countries that gain heavily, such as Tajikistan by 41 places. The explanations behind such a scenario are complex, but the centrality of public policy and its pre-eminence over other causal variables, in promoting human development is beyond doubt.
1.2 The New Measures and Models of Development

The experience of 1950s and 60s, when many developing nations did realize their economic growth targets but the level of livings of the masses of people remained for the most part unchanged, signaled that something was very wrong with the narrow definition of development. During the 1970s economic development came to be redefined in terms of elimination of poverty inequality and unemployment within the context of a growing economy. "Redistribution from growth" became a common slogan.²

Thus development got a new definition, it must be therefore be conceived of as a multidimensional process involving major changes in social structure, popular attitude and national institutions as well as the acceleration for economic growth, the reduction of inequality and the elimination of poverty. Development in its essence must represent the whole gamut of change by which an entire social system, tuned to the diverse basic needs and desires of individual and social group within that system, moves away from a condition of life regards as materially and spiritually better. Morris David Morris's PQLI, Sen's Capability approach and Contemporary Human Development Index are leading examples of the new view but underdevelopment theories defined it as ideological trap.

1.2.1 Development as Underdevelopment

The aggressive approach adopted by the western powers particularly the United States of America and its Brettonwood institutions like the World Bank (WB) and the International Monetary Funds (IMF) towards the development has been challenged by Marxist and post Marxists social scientist. Though their voice of resentment was global in its application, most of the scholars that articulated these views most vehemently were from Latin America, Africa and Asia. Therefore, they were also called a Latin American and African School or Dependency School or Underdevelopment School. As a result of all these the world got divided into two diametrical opposite poles i.e. the developed and the underdeveloped world. Though these are distinct in the characteristics, yet both share common historical experience and emanate from the one and the same processes. According to dependency school some of the important characteristics of an underdeveloped economy are as follows:

1) Transition to Peripheral Capitalism: Most of the colonies in the tropical, subtropical and equatorial areas were subjected to specialization in the export of primary products. Most of the products included in this category were related agriculture and mining

² It simply implies redistribution of fruits of growth and development especially to the deprived.
activities. Structures of production relations in the colonies revealed that most of the owners were from the mother countries while large part of the blue colour workers were from the colonies. Countries such as Brazil specialized in the production of Coffee and Rubber, Malaysia in the production of Rubber and Tin, India in the production of Jute, Tea and Mining products etc.

2) Extraversionism: Though the colonies specialised in the production of the primary and semi-processed goods in the secondary sector, these products had limited demands in the domestic market. Large share of these products were produced to meet the external demands. Thus, the colonial economy was always regulated through the forces of world market.

3) Hypertrophism: It was imperative on the part of the mother country to create institutions in the colonies for the purpose of governance and uninterrupted supply of raw material and distribution of the finished products. Disproportionate growth of tertiary sector was done to achieve this objective. Subsequently service sector constituted the second highest share of employment after agriculture in the colonies. This resulted in the tertiarisation of the colonial economy and society. The most significant contribution of the dependency school was in identifying the processes of underdevelopment and also the possible remedy for the same. They believed that there is no reprieve for the underdeveloped countries so long as they remain part and parcel of the modern world system and continue to trade on the basis of unequal exchange. According to them the principal contradiction at the world level is between imperialism and the colonies and the possible remedy is revolutionary anti-imperialist struggles in the colonies. Moreover, they also emphasized that the national liberation movements in the colonies should simultaneously target the comprador bourgeois and world imperialism in order to overcome their underdeveloped status. Though there was a lot of merit in their articulations, yet unfortunately the happenings of the world history in the decades after 1980s gave a major setback to these postulations and they were compelled to look for non-revolutionary alternatives to social change. Subsequently development needed to be defined in new terms.

According to underdevelopmentalist developing economies are basically backward because of their unequal relationship with developed economies. Developed and developing economies share core-periphery relationship. Ultimately developing economies in long historical process due to dependent unequal relationship bound to
convert in net exporter of primary goods without industrial base. In this way underdevelopment is due to exploitation of imperialist through economic dependency.

1.2.2 Development as Freedom

Twentieth century has been one of the most eventful times in human history. Humanity experienced rising hopes and abysmal despairs and dejections at one and the same time. It underwent a series of revolutionary as well as counter-revolutionary changes with in a short span of time. Science opened new vistas of possibilities in human endeavour but at the same time some of its inventions placed human destiny in a state of utter helplessness and desperations. We are faced with scientific as well as religious fundamentalism. In a nut shell, our balance sheet of gains and loses become a matter of interpretations and positions. However, there are at least two clear agendas that emerged out of the upheavals of the last century. First, Astronomic rise in secular uncertainties is the first and most important out come. Today the developed as well as the underdeveloped worlds are gripped in the fear of uncertainties and risks. This is possibly one of the reasons that both science and religion have adopted aggressive positions as both accept use of force as legitimate means to assert ones claims. Secondly, freedom has emerged as the minimum condition for the existence of every one. Freedom is considered one’s ontological necessity and a birthright. People are ready to pay any price for their freedom. It is considered a minimum condition for one’s social and individual survival. It is the talisman of modern times. People are no more contended with their head count alone they are demanding listing their names as their fundamental right. Fight for identity, democratic participatory governance has become the private rhetoric. It has reconstructed the content and power of legitimacy of every social phenomenon. Development as a policy and strategy has been influenced by these shifts more than anything else. People everywhere want development to base itself as a minimum guarantee to their democratic rights and freedom they enjoy. A.K. Sen is one of the ardent protagonists of this view. In his book Development as Freedom he mentioned, “Expansion of freedom is viewed...as the primary end and principal means of development” (Sen: 1999.XII). He further adds that “......the removal of substantial unfreedom ...here constitutes development” (Sen: 1999.XII). According to him development and freedom are inconceivable without each other. In his own words “development can be seen...as a process of expanding the real freedom that people enjoy” (Sen: 1999.3). He also tries to liberate development as a concept from its limited uses, per capita income and growth rate etc that the social scientists particularly the economists have attributed to it. He prefers to use it in a broader
sense by putting an integrated approach involving economic opportunities, political freedom, social justice, transparency in governance and protective security not only against the economic risks but also against illiteracy, diseases social conflicts (Sen: 1999.XII). Development requires removal of the major sources of unfreedom such as “poverty as well as tyranny, poor economic opportunities as well as systemic social deprivations, neglect of public facilities as well as intolerance or over activity of repressive states” (Sen: 2001:3). He expressed regrets at the existing global situations where unprecedented opulence of a tiny minority of population and countries is taking place at the cost of even elementary freedom to a vast majority of nations and their population. In another words economic development alone does not guarantee freedom and democracy. On the contrary, removal of poverty and providing adequate public facilities, social care, organisational arrangements for health care particularly epidemiological programmes; education facilities and effective institutions for the maintenance of local peace and order etc. are the other essential requirement for the success of both democracy and development. He also established deep inter-connections between freedom and development for two reasons.

- Evaluative reasons: the assessment of development has to be done in terms of whether the freedom people have is increasing; and

- Effective reason: whether the freedom people enjoy is reinforced and guaranteed through a sustainable agency. Thus, development and freedom find new meanings in his formulations

1.2.3 Development as Sustainable Development

Development which has been claimed by different scholars as indispensable particularly for world peace, freedom, democracy and modernization etc. belied all these claims. On the contrary, it symbolized ever increasing social inequalities, regional disparities, displacement of people and spread of disease and hunger globally, apart from putting humanity on the path of a long war against the environment and cultural pluralities. Therefore, a new generation of scholars questioned the entire process and concept of development. They criticised the scholars from the underdeveloped school for their lop­sided treatment of development and ideological biases ness. While acknowledging their contribution they accused them of being determinist in their arguments in favour of market relations at the expanse of the class relations and modes of productions. They were equally critical of the development school for advocating the interests of a tiny minority or section while remaining to some larges issues concerning development.
Recently there has been inclusion of some more issues in the ongoing process of development which has been criticised from one more angle. The most significant of these issues are related to environmental degradation, ecological crises and socio-ecological disasters. Though critiques of the modernization and on going processes of development had been in the offing for some time, yet it was primarily the contributions made by M.K. Gandhi and Max Horkhiemer and Theodor Adorno in the west which were most significant in the first half of the last century. While Gandhi criticised it on the moral and ethical grounds, Horkhiemer and Adorno were critical of the entire enlightenment project and the rationality paradigm, which they thought provided the basic impetus to the success of the western path of disaster embedded into development. But the most significant critique of development came from the Club of Rome in 1971. It was a concern from a group of scholars cutting across all disciplines about the on going development. These scholars felt that growth within limit can only insure safe and proper development and unlimited growth like the present one is neither desirable nor sustainable both from the social and environmental point of view. Moreover, this is also disastrous as far as the future of human well-being is concerned. Some other scholars like Schumacher also joined the issues later on. He reiterated the views expressed by Gandhi and emphasized on the need to build an alternative model and mind-set to the existing megalomaniac mind-set and value system. According to him the answer to the crises situation created by the existing giant industrial empires and global trading cartels lies in accepting and appreciating the Small is Beautiful. To achieve this Economics will have to liberate itself from the narrow considerations of profit maximization and embrace the moral, aesthetic and other human values as the bases of economic endeavours. The decade of the 1980s as also significant in the history of development because so far most of the critiques of development were made by the individuals at the local or regional levels but hereafter it came to be realized at the world level that the cost of development is increasingly out weighing its advantages. Ecological disasters like global warming, ozone layer depletion, emission of nuclear radiation and other types of pollutions have crossed the tolerance limits and if unchecked the future of humanity itself is at stake. It was felt imperative that so far development and its critiques have taken into consideration only human well beings and they have turned blind eyes to other partners in the entire development process mainly the environment. First major and focused efforts at the Global level was made after constituting a Commission on Global Environment under the auspices of the United Nations popularly known as Stockholm Conference on Environment. The proceedings of the conference were subsequently published in reports.
entitled “the Brundtland Commission Report” and also “Our Common Future” (UNEP 1997). It is from this conference that the concept Sustainable Development got its currency and was accepted as the most fundamental contribution to overcome the crises that were created by the ongoing industrial development. The gist of the concept ‘Sustainable development’ in the UNEP (1997) report was in these words:

“Development that meets the needs of the present without compromising the abilities of the future generations to meet their own need, improved living standard for all, better protected and managed ecosystem and a safer, more prosperous future”.

Hereafter development was seen not only in terms of economic but also environmental costs. It was felt that development must adhere to minimum environmental standards and safety norms. This was on of the serious critiques of development as far as the developed world was concerned primarily for two reasons. Firstly, critiques of development made by the third world scholars so far were dismissed by the developed world as anti-west propaganda or at best a strategy adopted by the underdeveloped south to fight and get more concessions form the developed north. Moreover, they also accused the underdeveloped school for creating an artificial divide between the north and south blocks without taking to its logical conclusions.

Secondly, for the first time the developed world also felt threatened from the increasing environmental risks for which they alone were incapable to handle. Though, ever increasing depletion of resources was becoming the key issue in the sustainability of modern ways of life, yet more serious than this was the ecological and environmental crises that were resulting from the reckless exploitation and use of natural recourses on the one hand and environmental degradation like global warming, green house effects, ozone layer depletion etc. on the other. These crises were so serious that, they have not only placed a question mark before the on going processes of development but the future of human civilization itself was also at stake. And it was indiscriminate in its effects irrespective of the rich and poor nation and population. Hereafter the developed world was compelled to think about alternative strategies of development and the concept of Sustainable Development was found to be the most appropriate to achieve that end. Hence, Sustainable Development was projected as the legitimate and ethical alternative to development. Subsequently, the United Nations Environmental Programmes (UNEP) convened many conventions on the theme world over. The Kyoto Convention on Climate and Earth Submit at Rio-de-Janero Brazil were most significant in this respect. The net result of these efforts was that the UNEP succeeded in outlining certain fundamental
principles to achieve sustainable development. Moreover, in order to strengthen its project the UN Convention on Sustainable Development also identified a list of Social, Environmental, Economic and Institutional indicators to achieve the target (Butola 2004). It is well over fifteen years since the publication of the Brundtland Commission Report and over a decade after the Earth Submit but the objectives envisaged in both of these remain illusive as far as their translation into practice is concern. There are various reasons for its failure but the most significant one is the adamant attitudes of the developed countries towards their consumption pattern and indiscriminate use of resources which has virtually sealed the practice of this concept. The continuing reluctance of the developed countries towards the degrading environment has placed a serious challenge before many in the world. The most vulnerable one are those who derive their livelihood as well as meaning of life and identity from their respective environment. As a result, the development has also been interrogated from the point of views of identity, deteriorating economic conditions and rising regional disparities. As debate over development getting intensifying I would like to give special reference to Amartya Sen and Morris David Morris approach towards development.

1.1.3 Amartya Sen's "Capabilities" Approach

The view that income and wealth are not ends in themselves but instruments for other purposes goes back at least as far as Aristotle. Amartya Sen (1999:14), the 1998 Nobel laureate -in economics, argues that the "capability to function" is what really matters for status as a poor or non poor person. As Sen (1999:14) put it, "Economic growth cannot be sensibly treated as an end in itself. Development has to be more concerned with enhancing the lives we lead and the freedoms we enjoy". 4

In effect Sen argues that poverty cannot be properly measured by income or even by utility; what matters is; not the things a person has-or the feelings these provide-but what a person is, or can be, and does or can do. What matters for well-being are not just the characteristics of commodities consumed as in the utility approach, but what use the consumer can make of commodities. For example, a book is of little value to an illiterate person (except perhaps as cooking fuel or a status symbol). Or as Sen noted, a person with parasitic diseases will be less able to extract nourishment from a given

3 It simply means making capable or enhancing capacity to carry out their normal lives in spite of providing basic enmities to survive.

4 Development must focus to realize liberty and freedom in order to overall human development not merely on materialistic needs, it must enhance creativity and hidden talent.
quantity of food than will someone without parasites. Sen's approach is valid for more
developed countries as well. For example, most of the things one could do with the
personal computer one buys are never understood or even known, let alone ever used, by
anyone other than Specialists. Of course, sometimes people want more “features” just in
case they might want to use them. But if we exclude items of this kind, a computer with
unused characteristics is no better than one without these characteristics.

The point is that to make any sense of the concept of human well-being in
general, and poverty in particular, we need to think beyond the availability of
commodities and consider their use: to address what Sen (1999) calls functioning’s\(^5\), that
is, what a person does with the commodities of given characteristics that they come to
Possess or Control (or can do with them). Freedom of choice, or Control of one's own
life, is itself a central aspect of most understanding of well-being. As Sen explains the
concept of "functioning’s" reflects the various things a person may value doing or being.
The valued functioning's may vary from elementary ones, such as being adequately
nourished and being free from avoidable disease, to very Complex activities or personal
states, such as being able to take part in the life of the community and having self-respect
Sen (1999) identifies five sources of disparity between (measured) real incomes and
actual advantages. First, personal heterogeneities, such as those connected with disability,
ilness, age, or gender; second, environmental diversities, such as heating and clothing
requirements in the cold, infectious diseases in the tropics, or the impact of pollution;
third, variations in social climate, such as the prevalence of crime and Violence and
"social capital"; fourth, differences in relational perspectives meaning that the commodity
requirements of established pattern of behaviour may vary between communities,
depending on conventions and customs. In a richer society, the ability to participate in
community life would be extremely difficult without certain commodities, such as a
telephone, a television, or an automobile; it is increasingly difficult to function socially in
Singapore or South Korea without an e-mail address. Fifth, distribution within the family:
Economic statistics measure incomes received in a family, because it is the basic unit of
shared consumption but family resources may be distributed unevenly, for example, when
girls get less medical attention or education then do boys.

Thus looking at even real (purchasing power parity adjusted) income levels, or
even the levels of consumption of specific commodities, cannot suffice as a measure of
well-being. One may have a lot of commodities, but these are of little value if they are not

\(^5\) It explains that availability of commodities is not enough, in fact availability of those commodities which
 can be used as well as required to use.
what consumer's desire (as in the former Soviet Union). One may have income, but certain commodities essential for well-being, such as nutritious foods, may be unavailable. Even when providing an equal number of calories, the available staple foods in one country (casava, bread, rice, cornmeal, potatoes, etc.) will differ in nutritional content from staple foods in other countries. Moreover, even some sub varieties of, for example, rice, are much more nutritious than others. Finally, even when comparing absolutely identical commodities, one has to frame their consumption in a personal and social context. Sen provides an excellent example: Consider a commodity such as bread. It has many characteristics, of which yielding nutrition is one. This can-often with advantage-be split into different types of nutrition, related to calories, protein, etc. In addition to nutrition-giving characteristics, bread possesses other characteristics as well, e.g., helping get-togethers over food and drinks, meeting the demands of social conventions or festivities. For a given person at a particular point in time, having more bread increases, up to a point, the person's ability to function in these ways. But in comparing the functioning of two different persons, we do not get enough information by looking merely at the amounts of bread (and similar goods) enjoyed by the two persons respectively. The conversion of commodity-characteristics into personal achievements of functioning depends on a variety of factors-personal and social. In the case of nutritional achievements it depends on such factors as (1) metabolic rates, (2) body size, (3) age, (4) sex (and, if a woman, whether pregnant or lactating), (5) activity levels, (6) medical conditions (including the absence or presence of parasites), (7) access to medical services and the ability to use them, (8) nutritional knowledge and education, and (9) climactic conditions. Thus consumption of goods and services can not be taken as measures of well being.

In part because such factors, even on so basic a matter as nutrition, can vary so widely across individuals, measuring individual well-being across people by levels of consumption of goods and services confused the role of commodities by regarding them as ends in themselves rather than as means to an end. In the case of nutrition, the end is health, and what one can do with good health, as well as personal enjoyment and social functioning. But measuring well-being using the concept of utility, in any of its standard definitions, does not provide of an improvement over measuring consumption while understanding of meaning of development

As Sen (1999) stresses, a person's own valuation of what kind of life would be worth-while is not necessarily the same as what gives pleasure to that person. If we
identify utility with happiness, then very poor people can have very high utility. Sometimes even malnourished people either have a disposition that keeps them feeling very happy and satisfied or have learned to appreciate greatly any small comforts they can find in life, such as a single breeze on a very hot day, and to avoid disappointment by striving only for what seems attainable. (Indeed it is. only too human to tell yourself that you do not want the things you cannot have.) If there is really nothing to be done about a person's deprivation, this attitude of subjective bliss would have undoubted advantages in a spiritual sense, but it does not change the objective realities of deprivation. In particular, such an attitude would not prevent the happy but homeless poor person from greatly valuing an opportunity to become freed of parasites or provided with basic shelter. Rather than a feeling, as Sen defines it, the functioning of a person is an achievement.

Sen then defines Capabilities as "the freedom that a person has in terms of the choice of functioning, given his personal features (conversion of characteristics into function) and his command over commodities. ..."(Sen, 1999:47). Just as in basic microeconomics, where income matters to the extent that it impacts utility, utility too is important here to the extent that it exhibits a person's capabilities. And clearly, capabilities are determined in part by income. Even so, many important problems of developing countries, such as social deprivation of girls, simply cannot be adequately addressed by a focus on income; it requires a social value consideration. Sen's perspective helps explain why development economists have placed so much emphasis on health and education and have referred to countries with high levels of income but poor health and education standards as cases of "growth without development." Real income is essential, but to convert the characteristics of commodities into functioning, in most important cases, surely requires health and education as well as income. The role of health and education ranges from something so basic as the nutritional advantages and greater personal energy that are possible when one life's free of certain parasites to the expanded ability to appreciate the richness of human life that comes with a broad and deep education Thus it can be understood that Sen's approach not only consider utilisation of required commodities but also its socio-cultural context.

Over the past two decades Sen's view has become extremely popular among development economists and social science methodologists. Sometimes students seem less impressed, arguing that fulfillment is more about the quality of social relationships or

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6 Growth indicates improvement economic lives while development is related to multidimensional development of human beings. It also indicates to change in value system in order to set a agenda for development.
about following religious values than capabilities. But however the matter is framed, it is clear that income or consumption, or purely subjective pleasure or desire fulfillment, cannot define well being in any adequate sense almost any deeper appraisal of well-being leads to a consideration of health and education as well as income. Sen’s analysis is part of what has given the United Nation’s Human development index, which accounts for health and education as well as income. Actually Sen’s approach not only consider its actual utilization but also considers social perspectives.

1.1.4 Morris David Morris views on Development

"The pallid justification that growth benefits will trickle down to benefit the world’s poor in the long run ignores the truth that in the long run we are all dead" (Morris D. Morris, 1979:6-9).

Above statement of Morris David Morris clearly reflects that economic growth is not development, development is a multidimensional process which includes the social progress high economic growth data’s are not merely indication of development. He explained that the gross national product (GNP) measure used by the World Bank and USAID as their basic indicator of human well-being is seriously flawed. Obviously, no one could stay alive on what a dollar a day will buy at U.S. prices. But the GNP ignores differences in prices and the distribution of income. It also fails to illuminate how efficiently income is spent. For instance, U.S. health expenditures per capita are the highest in the world, but at least 22 countries had better infant and child (under 5) mortality rates in 1993. If we want to measure the changing condition of the world's poor, we need a better measure of what is happening to them. The measure must not tell us how much has been spent but how effectively lives have improved. While there are many other things we might want to know, infant mortality, life expectancy at age one and basic literacy are central to well-being of the poorest of the poor.

In the mid-1970s, encouraged by James Grant, who subsequently became UNICEF's head, Morris David Morris developed the Physical Quality of Life Index as development indicators. The PQLI summarizes infant mortality, life expectancy at age one and basic literacy on a zero to 100 scale. The index enables researchers to rank countries, not by incomes but by changes in real life chances. A major finding in the initial study was the lack of congruence between GNP per capita and the PQLI. Industrialized countries tended to rank high in the index, but other countries with high incomes, especially the very richest Middle East oil producers, had PQLIs in the low 30s.
Some very poor countries like Sri Lanka (PQLI of 82) and the Indian state of Kerala (PQLI of 68) performed well despite very low monetary incomes. (UNDP 1992)

Additional research between 1960 and 1990 expands and confirms these fascinating findings that run counter to conventional wisdom. For instance, in 1960, the average PQLI for all the 127 countries (weighted by population) was 50.1. By 1990, the world average PQLI had risen in 71.7 (UNDP 1992). This rise represents real improvement in well-being. Each baby has only one life to be saved. The rich cannot capture all the gains in life expectancy. Literacy rises only when more children go to school. This 30-year gain took place while population increased by 76 percent. This improvement offers a useful corrective for those who are utterly panicked by rapid population growth. In 1960, 53 percent of the world's population lived in countries with PQLI averages of less than 50. By 1990, only 11 percent lived in countries with averages of less than 50. This means that the number of people in the under-50 PQLI group fell from 1.7 billion to 584 million during that 30-year period (UNDP 1992).

These improvements did not come because of World Bank or USAID support. The gains have come mainly from the mobilization of indigenous capacities. Development experts are blind to the fact that some of the world's poorest people have always had to adapt to the changing demands of exacting environments, and have done so with considerable skill. Rising PQLI numbers show that there is vitality, creativity and genuine organisational potential that can be mobilized to directly improve the conditions of poor countries. To take advantage of these indigenous capacities requires us to reduce the single-minded focus on rapid economic growth measures. The justification that growth benefits will trickle down to benefit the world's poor in the long run ignores the truth that in the long run living standard will be high and gap of income will be higher. It has been witnessed that in long run trickle down will lead to fragmentation of society on income level. Strategies to increase the opportunities for the world's poor in their lifetimes require investing in human capital in new ways. Foreign donors, official as well as non-governmental organisations, must learn to be true partners who can give up the power of the purse and accept the validity of working through indigenous institutions.

Is it possible then to define or broadly conceptualize what we mean when we talk about development as the sustained elevation of an entire society and social system toward a "better" or "more humane" life? The appropriate answer for developing nations

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7 Trickle down effect is failed to uplift deprived in real terms while wealth gap has been widen among haves and haves not.
in the first decade of the twenty-first century is not necessarily the same as it would have been in previous decades. But we agree with Goulet\(^8\) and others that at least three basic components or core values should serve as a conceptual basis and practical guideline for understanding the inner meaning of development. These core values, sustenance, self-esteem and freedom, represent common goals sought by all individuals and societies. They relate to fundamental human needs that find their expression in almost all societies and cultures at all times. These are as below.

(a) **Sustenance: The Ability to Meet Basic Needs**

All people have certain basic needs without which life would be impossible. These, life sustaining basic human needs include food, shelter health, and production. When any of these is absent or in critical supply, a condition of “absolute underdevelopment” (Hicks and Streeten, 1979) exists. A basic function of all economic activity, therefore, is to provide means of overcoming the helplessness and misery arising from a lack of Food, Shelter, health and Protection. To this extent we may claim that economic development is a necessary condition for the improvement in the quality of life that is development. Without sustained and continuous economic progress at the individual as well as the societal level, the realization of the human potential would not be possible. One clearly has to “have enough in order to be more.”\(^9\) Rising per capita incomes, the elimination of absolute poverty, greater employment opportunities, and lessening income inequalities therefore constitutes the necessary but not sufficient condition for development. An alternative way of saying much the same thing was put forth in the United Nations' Human Development Report (1994). Drawing on Amartya Sen, in the opening chapter the report asserts:

> "Human beings are born with certain potential capabilities. The purpose of development is to create an environment in which people can expand their capabilities, and opportunities can be enlarged for both present and future generation. The real foundation of human development is universalism in acknowledging the life claims of everyone. Wealth is important for human life. But to concentrate on it excursively is wrong for two reasons first accumulating wealth is not necessary for the fulfillments of some important human choices extend far beyond economic well-being."

(b) **Self-Esteem: To Be a Person**


A second universal component of the good life is self-esteem—a sense of worth and self-respect, of not being used as a tool by others for their own ends. All peoples and societies seek some basic form of self-esteem, although they may call it authenticity, identity, dignity, respect, honor, or recognition. The nature and form of this self-esteem may vary from society to society and from culture to culture. However, with the proliferation of the "modernizing values" (Fei et al., 1979) of developed nations, many societies in developing countries that have had a profound sense of their own worth suffer from serious cultural confusion when they come in contact with economically and technologically advanced societies. This is because national prosperity has become an almost universal measure of worth. Due to significance attached to material values in developed nations, worthiness and esteem are nowadays increasingly conferred only on countries that possess economic wealth and technological power.

(c) Freedom from Servitude: To Be Able to Choose

A third and final universal value that should constitute the meaning of development is the concept of human freedom. Freedom here is to be understood in the sense of emancipation from alienating material conditions of life and from social servitude to nature ignorance other people misery institutions and dogmatic beliefs; especially that one's poverty is one's predestination. Freedom involves an expend range of choices for the societies and their members together with a minimization of external constraints in the pursuit of some social goal can be called development. W. Arthur Lewis (1955:59) stressed the relationship between economic-growth and freedom from servitude when he concluded that "the advantage of economic growth is not that wealth increases happiness, but that it increases the range of human choice." Wealth can enable people to gain greater control over nature and physical environment (e.g., through the production of food, clothing, and shelter) than they could have if they remained poor. It also gives them the freedom to choose greater leisure, to have more goods and services, or to deny the importance of these material wants and choose to live a life of spiritual contemplation. The concept of human freedom should also encompass various component of political freedom including, but not limited to, personal security, and the rule of law, freedom of expression, political participation, and equality of opportunity. Some of the most notable economic success stories of the 1970s and 1980s did not score high on the 1991 human freedom express index compiled by the Nations Development Program (UNDP 1991).

It can be concluded that development is a both a physical reality and a state of mind in which society has through some combination of social economic and institutional
processes, secured the means of obtaining a better life. Whatever the specific components of this better life, development in all societies must have at least following three objectives (Goulet 1971):

1. To increase the availability and widen the distribution of basic life-sustaining goods such as food, shelter, health, and protection. Basic amenities must be met.

2. To raise levels of living standard, including, in addition to higher incomes, the provision of more jobs, better education, and greater attention to cultural and human values, all of which will serve not only to enhance material well being but also to generate greater individual and national self-esteem.

3. To expand the range of economic and social choice available to individuals and nations by freeing them from servitude and dependence not only in relation to other people and nation-states but also to the forces of ignorance and human misery.

2. IDEOLOGICAL SURVEY OF DEVELOPMENT.

Development can also be classified on the basis of ideological connotations. Liberalist thinkers accept concept of modernization as path of development to all underdeveloped and undeveloped countries while Marxist scholars define development in the frame of capitalist economy as dependency. Here they argue, in capitalist economy underdeveloped and under-developed countries became periphery while following the path of modernization and developed enjoys core position, this leads to total integrated dependence of under-developed and undeveloped economies to developed capitalist economies.

2.1 Modernization and Dependency

Core conception of modernization framework is the notion of stages of development. Understanding the characteristics of this stage was not simply a matter of noting that what had happened- it was a practical developing country in defining their objectives at each stage and dealing with the obstacles to moving to the next. The theory was diffusionist-linkages between advanced capitalist societies and others would speed the process of modernization. Integration in the world capitalist economy should therefore be an objective for poor countries- modernization was determinedly and optimistically pro-capitalist. Basically modernisation is all about following the path of western developed economies economically as well as politically. To be precise only western styled political and economic structure and process and lead towards development.
In contrast, the dependency theorists—known as *dependistas* in recognition of largely Latin American origins of the school—saw capitalism as the root cause of the problems of what eventually became known rightly or wrongly— as the ‘Third World’. One of the great strengths of dependency theory was its ability to view the present state of underdeveloped countries both from the perspective of the totality of the world economy and with a historical approach. Poverty was seen as part of a historical process by which capitalist countries incorporated other regions into the capitalist system and so ‘underdeveloped’ them. But if, as the *dependistas* claim, greater integration into the world economy leads to greater dependence and therefore a process of underdevelopment, then the emergence of the NICs becomes completely incomprehensible. A great strength of dependency theory has been its insistence on considering the context of the world economy in analysis of Third World countries. But, at times, the complexity of the local class forces and their role in choosing a relationship to the International environment has been crudely downgraded. Despite some exceptions, a tendency to reduce local class struggle to a reflection of International pressures remains. One of the indications of this is a fairly cavalier treatment of the concept of class and a tendency to confuse it with ‘elite’, ‘strata’ or ‘sector’ (Minns, 2006:9). So dependency theory established a kind of Internationally-oriented determinism in which the options for local classes are severely limited. Curiously, for a theory which set out to attack the optimistic determinism of the modernization theorists, it has produced its own form of determinism in response.

### 2.2 Neo-Liberalism and Neo-Statism

By the 1980s, it seemed that the dependency and modernization perspectives had fought each other to a standstill. Modernization theory had been shaped in important ways by the Cold War, dependency theory, by sympathy for the Third World. Both of these considerations began to recede in significance to many Western intellectuals in the 1980s. However, a new debate—on the relative importance of states and markets in the process of economic development—soon took place. Although both sides added the prefix ‘neo’ to describe their positions, the debate was not new. It echoes through economic controversies—especially those about ‘late’ development—since at least the 1830s with the arguments made against adulation of the free market by protectionist economists such as German, Friedrich List and the America, Henry C. Careys (Minns, 2006:11).
Neo-Liberalism

Until the 1970s most conservative, pro-Western theorists had no objection to a degree of government planning and state economic intervention. It was one of the few things which many of the modernization theorists and some of the dependistas had in common. This broad consensus on the need for development planning and state intervention was challenged in the 1980s by those who called themselves neo-liberals. They argued that economic resources are allocated most efficiently when decisions—and especially prices—are left to the market. Market mechanism is highly efficient way of distribution. High levels of government intervention could only distort natural prices and the comparative advantages of various branches of production in each country and so would reduce the ability to produce wealth. State intervention undermine the growth and create obstacle in smooth and just developmental process. The argument was applied to both rich and poor countries. In other words, the neo-liberal position suggested that even when state intervention happened and was successful, it was really something else. The invisible hand\textsuperscript{10} of the market was somehow temporarily operating through the very visible one of state. In fact, these states did not intervene only to correct minor distortions in markets. Nor did they operate simply to liberate private business from non-market constraints. They did so the conscious intention to industrialize and were prepared to radically alter the operations of the market to achieve that end. They are not anti-business, but they are willing to discipline and, on occasion, trample on the rights of private business to achieve industrialisation. They are firm believer of open market economy, it has been conceptualised by Neo liberals that global open economy will lead toward complex interdependence and hence none of state can afford war or open violent activities against each other. Ultimately Neo liberal policies will to the world in an era of peace and tranquility.

Neo-Statism

Partly in reaction to the rise of neo liberal theory, and partly to that of the East Asian NICs\textsuperscript{11} themselves, a ‘neo-static position began to form in the mid 1980s. The crux of this view was to argue for a new emphasis on the role of the state by political scientists and developmental economists. In particular, following work by Chalmers Johnson on Japan,

\textsuperscript{10} Popular conception of Adam Smith which refers that market itself is best judge of resource distribution, so there should not be any state intervention in distribution, market itself regularize distribution.

\textsuperscript{11} Newly industrialized countries
the neo-statists emphasized the importance of a particular kind of state - a developmentalist state - in economic growth in late developing countries (Minns, 2006:7). Under certain circumstances, states, whether to maintain domestic political control or because of the external threats they face, may be forced to initiate economic development. in doing so they consciously distort market rationality rather than simply allow their countries to be subject to the laws. Developmentalist states are necessary in poor countries, according to the neo-static perspective, because of their extreme shortage of capital and because of the enormous advantages in technology and scale of production enjoyed by the developed states. Over all neo-statism talks about the control on economic of state that leads obstacle to free and natural growth of economic, most important thing which matters the intention of state

2.3. Gandhian Connotation

The Gandhian view of development is radically different from the Western model of development. It was based upon his Meta physical idealism with emphasis on the supremacy of ethical values and a moral approach to the problem of development. It was a plan of political, social and moral reconstruction and a critique of the Western model of development based essentially upon industrialization. Gandhi ji made a distinction between economic and real development.\(^{12}\) Real development, according to him, is moral. It is development in the pursuit of truth through love and non-violence. Economic development connotes the limited material advance. There have been different views on whether material development means real development or whether it comes into conflict with moral development. However, Gandhi's answer was very simple. He did not agree with the view that material development leads to moral development. Whereas an unlimited material progress did not mean moral or real development, material degeneration below a certain level can breed moral degeneration. As he wrote, ‘No one has ever suggested that grinding pauperism can lead to anything else than moral degeneration’ (Tendulkar, 1997:78). He believed that material development beyond a given minimum was in conflict with moral progress. In other words, he favoured material development so long as it was morally justified and to the extent it helped to remove poverty. Seeking more than the minimum required was bad because greed destroyed human values like honesty, high thinking etc. Moreover, it demands increased production, which in turn results in exploitation, state control and centralism. ‘The greater the

\(^{12}\) Economic aspect was limited to material element while development is integrated with inner development (Unnithan, 1979).
possession of riches, the greater was the moral turpitude’ (Tendulkar, 1997:81). For Gandhi economic policies which were harmful to the moral well-being of the individual of the nation were immoral and hence sinful. He did not measure development in terms of money simultaneously; Gandhi was equally emphatic that a minimum standard of living was necessary for the existence of an orderly society. Securing one's livelihood in a well-ordered society should be and is found to be the basic thing in the world. However, by livelihood; he meant simple means of existence: Food, Clothing, Shelter and Education. His idea of development was not an increase in the number of millionaires but the absence of starvation. According to Gandhi, development is measured in terms of happiness and happiness is not only bodily welfare. He wrote, ‘Civilization in the real sense of the term consists not in the multiplication of wants but in the deliberate and voluntary reduction of wants. This alone promotes real happiness and contentment and increases capacity for service. The mind is a restless bird. The more it gets, the more it wants and still remains unsatisfied.’ Man could be really happy if he obeys moral laws. The search for material well-being that disregards moral conditions was contrary to the divine order. Thus the problem of material development versus moral or real development can be reduced to the problem of defining happiness and setting up a standard or an ideal for measuring the achievement of happiness.

According to Gandhi, the root of happiness lies in spiritualism. The real development is the pursuit of truth because only this can lead to God and that is happiness. For this, only deliberate and voluntary reduction of wants or what he called ‘voluntary poverty’ could promote real happiness and contentment. People who continue the pursuit of wealth as their goal deviate from that ideal. Not only the religious scriptures but the entire history of human civilization bears testimony to the fact that the ideal form of development is moral and not material and that the standard of morality is nothing but the standard of truth. From economic point of view, development meant removal of extreme poverty. For this Gandhi favoured abolishing all social barriers so as to improve the material conditions and standard of life of the people. This could be achieved by increasing production as well as equitable distribution of national resources. For increasing production, Gandhi had strong reservations about industrialization and large scale mechanization. Industrialization is the outcome of man’s greed for more and more profits. The machine by rendering men unemployed deprives them of livelihood; by reducing work to a mechanical performance, it derives out all creative instincts and destroy man’s initiative. Also industrialization leads to centralization which in turn leads to exploitation of the village by the urban or the city centers. Hence the ideal system
according to Gandhi is the village self-sufficiency and manufactures for use and not for trade. The goods to be produced and consumed should be concerned with basic necessities and there is hardly any room or justification for the production of modern luxuries and amenities. The village could use machine but it should not displace labour. He wanted the society to be active rather than industrialized. In this context, he propounded the theory of ‘bread-labour’, which implied that amount of physical labour which is required from each person to produce the necessities of life. That much labour time must be spent by everybody in physical labour. With regard to distribution, in his early writings Gandhi emphasized the concept of absolute equality. That is, no work or profession is superior or inferior to any other, a lawyer or scavenger should receive equal payment. However, later, he came round the view that beyond a minimum living wage which would ensure the worker a decent home, a balanced diet and sufficient khadi to cloth himself with, differences could be permitted only on the basis of different needs.

In short, Gandhi’s view on development can be summed up as Social Equilibrium. A society which is too poor materially must progress towards this ideal by attempting to improve its material conditions. Conversely, a society which has superfluous wealth must renounce some of it in order to attain that stage. This social equilibrium can be attained through individual and social reformation, through various physical, mental and social rules, and improvement in the material progress through cottage industries, spinning wheel and village improvement. Development is a complex web of moral, social and material relationships. The moral basis of this development lies in Truth, Ahimsa, continence, non-possession, non-stealing, fearlessness, Swadeshi, bread-labour, toleration, faiths, vegetarianism, nature cure and simplicity in life. At special level, it means equality of women, removal of untouchability prohibition, education, communal harmony, equilibrium between city and village and lastly, the material basis of development lies in increasing wealth through village and cottage industries, decentralization of economic production, and redistribution of wealth between labour and capital through trusteeship (Unnithan, 1997).

3. MAJOR ISSUES IN DEVELOPMENT

It must be emphasized that there cannot be a single well defined path towards development. Different countries and regions will have to take their own specificities into account in order to develop their societies. This is one reason why development has been a much debated subject. Here some of the major issues have been highlighted, which have featured in this debate.
3.1 Growth vs Distribution

For a long time it was assumed that economic growth would be an engine that will lead naturally towards development. Consequently, little or no attention was paid to the question of distributive justice. One of the major outcomes of this situation was the "trickle down"\textsuperscript{13} theory, which stated that if there was sufficient growth everybody would benefit from it. India, during the first three plans, made heavy investments of capital and sought to take the country on to a new growth path. During the early 1970s, however, it was realized that the living conditions had not changed significantly for the better. It was then that the question of distributive justice assumed greater importance. The problem, however, continues to affect the developing countries as assets such as land and capital are concentrated in a few hands. This perpetuates the problem further and the question of distributive justice remains unsolved. The major result of this debate has been the realization that economic growth alone is not enough to lead a country towards rapid development. Growth by itself does not guarantee an improvement in the quality of life for the vast numbers of people. Therefore the state has to formulate policies and design instruments to ensure that development benefits flow to those categories of people who need those most.

3.2 Agricultural vs Industrial Development

This has been one of the most important issues at stake in the debate on development. In India's own case, it was thought that rapid industrialization would lead the country to self-sufficiency. In the 1960s, however, the country experienced severe food shortages that led to the realization that the agricultural sector could not be ignored. This led to increasing attention to this sector. New varieties of seeds and the use of fertilizers on a larger scale have led to an increase in agricultural production. However, it has now become clear that a balance between agricultural development and industrial growth will have to be maintained for genuine economic development. If the agricultural sector does not grow there may be sharp increase in the prices of food-grains that will affect the poor. On the other hand, industrial stagnation will mean that surplus labour from the agricultural sector cannot be usefully employed. Therefore, both agriculture and industry will have to grow so that the pace of development is fast enough to improve the living conditions of the people.

\textsuperscript{13} Most of the pro market people believed that heavy industrialisation will automatically raise the standard of poor people because industrialisation creates jobs and other earning opportunities.
3.3 Capital vs Labour Intensive Technologies and Development

The term ‘technology’ being used quite often in debates pertaining to development. What is technology and what is its role in the development of a country and its people? Technology is the means by which goods are manufactured in an economy. Any goods, however crude or sophisticated, can actually be manufactured by several means. The development in technology is the process by which the manufacture of goods is made cheaper, faster and more efficient. What is the role of technology in development? One may be aware of the fact that tractors, harvesters, etc. are being used on a wider scale now than a couple of decades ago. They are now used to perform many of the agricultural operations, which were thitherto performed manually using ploughs and other equipment; this change may be termed a technological change. Cloth can be woven on traditional looms in your village or town, or it can be manufactured in the factories located in bigger cities. The end product is more or less the same, but the process of making it is different. What are the implications of these facts for the process of development? An improvement in technology calls for investment to make this change feasible. Sophisticated technology, when it uses less labour, is termed “labour displacing technology". On the other hand, an improvement in technology can also be made without displacing labour and also less expensively. This is called “labour intensive technology". Capital intensive and labour displacing technologies are often expensive and call for large investments. Labour intensive technologies, on the other hand, have the advantage of being able to absorb the surplus labour in a developing country. During the late 60s and the early 70s, a new trend of thinking on technology suitable to developing societies became popular. The question raised was that of “Appropriate Technology". It was said that developing countries should adopt technologies that were suitable for their own specific needs, situations and socio-cultural framework rather than copy the western technologies blindly. Thus, it was suggested that countries like India should use technologies that have evolved over many decades and adapt them to make the best use of their cost-effectiveness. The choice between these types of technology, however, is not easy for a developing country. On the one hand, rapid increase in output is necessary to solve the problems of the people and, on the other; the problem of unemployment (thus created) accentuates the problem of poverty. A balance is, therefore, required so that both technology and living conditions of the people improve.

\[\text{It refers to sophisticated technologies which does not require manual involvement. Hence it displaces human labour.}\]
3.4 Centralization vs Decentralization

This has been another major issue in the debate on development. Generally, it is agreed that development is a long-term phenomenon and, therefore, needs to be planned. While a certain degree of centralization is necessary to coordinate the efforts towards development, high degree of centralization in the case of decision making powers can weaken the process of popular participation. It also leads to the formulation of programmes and projects, which have limited local relevance. In recent times, the need to devolve decision making powers to the panchayats and other local bodies has caught the attention of policy makers in India. Important steps, including constitutional amendments, have been taken since the late 1980s to empower local level institutions. It is hoped that decentralization of the development process would also lead to greater accountability of those who are actually involved in the decision making process. Devolution of powers is very vital for development. This ensures that the administration is brought closer to the people. Consequently, there is greater accountability of planners towards those whom programmes and policies are meant to reach. Thus decentralisation is focused on planning and implementation by the people itself because people are the best judge of their needs added to it it also strengthen grass root democracy.

3.5 Urban vs Rural Development

The vast majority of the population in India and other developing countries live in rural areas. There is a continuing influx of people into the cities looking for jobs as the rural economy is not been able to provide employment to them. It needs to be pointed out, however, that the problem of poverty, poor health and illiteracy is widespread in both rural as well as urban areas. The problem of rural poverty and unemployment is the crux of the problem. Without solving it, there cannot be genuine development. Hence, rural development has come to acquire critical importance. Sustained improvement in the quality of life in rural areas is likely to slacken the pace of large-scale migration of villagers to cities in search of jobs.

3.6 Respective Roles for the State and the Market

One of the most contentions issues in Economics has been the scope and extent of government intervention in the economy of the country. During the immediate post-World War II era, there was a near consensus among economists, for a variety of reasons, such as important developments in economic theory around the idea of ‘market failure’ (which had several dimensions), that governments have to play major roles in the
economic sphere. Thus around the time India gained independence from the British, the need for planning had come to have wide acceptance in the developing countries for them to break free from stagnation and backwardness. The debate in our country at that time was not about the need for planning but about what kind of planning and quite a few alternative suggestions and frameworks were widely discussed. In the recent years, however, government intervention in economic spheres has come under much fire, particularly during the last couple of decades, and a sort of neoliberal market orthodoxy – which insists that 'the market knows and does the best' has become dominant. We cannot go into a detailed discussion of the reasons for such an extreme swing here, but it may be stressed right away that to a large extent such a swing is based on shaky theoretical foundations and faulty empirical associations. This will be briefly discussed, in the next section, with reference to Indian economic development.

4. Development in International Relations

Another and related dimension is to treat the different meanings of development in the context of changing relation of power and hegemony in international relation. It simply means history of hegemony and co-relation with the changing perception and notion of development, in precise words, reading development theory then is also reading history of hegemony and political and intellectual euro centrism (Amin1989; Mehmet1995). It could be easily mapped the main contours of developments thinking in different periods and place them in the context of the pattern of hegemony in international relation and structure of explanation prevalent at time (Table-1) thus it could be related to the global relations of power or international hegemony to intellectual pattern of hegemony (in line of Gramscian international relation theory)
Table 1. Development Theories in relation to global hegemony.

<table>
<thead>
<tr>
<th>Developmental Thinking</th>
<th>Historical Context</th>
<th>Hegemony</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress, evolutionism</td>
<td>19th century</td>
<td>British Empire</td>
<td>Social Darwinism</td>
</tr>
<tr>
<td>Classical development</td>
<td>1890-1930s</td>
<td>Colonialism (late comers)</td>
<td>Classical political economy</td>
</tr>
<tr>
<td>Modernization</td>
<td>Post war</td>
<td>United States</td>
<td>Growth theory structural functionism</td>
</tr>
<tr>
<td>Dependency</td>
<td>Decolonization</td>
<td>Third world, Nationalism, G-77</td>
<td>Neo Marxism</td>
</tr>
<tr>
<td>Neo liberalism</td>
<td>1980s</td>
<td>Finance and corporate capital</td>
<td>Neo Classical Economics</td>
</tr>
<tr>
<td>Human development</td>
<td>1990s</td>
<td>Rise of Asian and Pacific Rim, Big emerging Markets</td>
<td>Capacity entitlement and developmental states</td>
</tr>
</tbody>
</table>


5. POLITICS AND DEVELOPMENT

Generally politics as a discipline is study of 'state' but here it means rational and logical authoritative distribution of resources (David Easton) and politics occurs where people disagree about the distribution of reason and have at least some process of the resolution of such disagreements. Modern political economy theory emphasize on the role of politician in the making of economy policy and effects of economic policy on the political motivations so here economics is a means of politics and politics uses economics as political weapons for some political reservations. As the Tibetan reservation is that Chinese government is using economics and setting developmental agenda for political purpose (total integration of Tibet in china), and Chinese government depicts that these programmes are to make Tibet as prosperous as other Chinese province are. Here we have some thoughts on correlation of politics and development. Virma A del man and Cynthia Morris (1967) talk about quantitative indicators for society, politics and economic development. Among political indicators for economic development degree of centralization of political power, strength of democratic institutions, degree of competitiveness of political parties and administrative efficiency denote their thorough research and understanding. Their view is that both the contemporary scene and historical experience provide instances of successful economic development under quite diverse
political systems and therefore they have attempted to represent several important spheres of the political life of developing societies. As meaning of development reflects that there are two major component of development one is directly related to state that is government's performance in providing services, and other is related to citizens of state.

It is imperative to contextualize some politics associated concepts like governance, governability, governmentality, social capital\textsuperscript{15}; civil society and well being which are complexly intermixed with economics of development. Before discussing them in detail this should be made very clear that all the conceptual tools have been discussed in the order of stage of investigation arrived (and not their temporal sequence of evolution). In this sense, one first examines different aspects of governance- its conceptual and practical merits and limitations, then he/she goes for more vigorous search in governmental rationalities and abilities. Social and cultural capital, civil societies are other lines of arguments and are entirely different from 'governmental arguments' in their approach. Discussion on well-being has been put at the end of discussion as it is the ultimate objective of 'impact assessment' of any of the developmental approaches.

\subsection*{5.1 GOVERNANCE}

Governance, as defined by the Carolina G. Hernandez (1999:69) refers to "the way in which organisations, whether in the form of family, the community, the civil society, corporations, the state, or regional or global organisations are run or managed." Among the components of good governance are human rights observance and democracy, market reforms, bureaucratic reforms, environmental protection and sustainable development and non-production of weapons of mass production.

The issue of governance, especially good governance arose following the end of the cold war fortified by the implosion of Soviet Union and symbolized both totalitarian political rule and a centrally planned economy. Democratic and market oriented societies prided themselves in the correctness of their political and economic systems of governance. Sullivan (1998) has incorporated- Participation, Rule of Law, Transparency, and Responsiveness, Consensus orientation, Equality, Effectiveness, Accountability and Strategic vision under governance.

The contemporary development discourses have also linked governance with decentralization, development and empowerment (Ysin et al, 1990). Malik and others

\textsuperscript{15} It is popular concept of Robert Putnam, it refers to skilled and over all developed human resource who can contribute in all aspect of life(political, social, economical)
have pointed out that ‘if the governing process is decentralized it will lead to what is called development- an attribute that touches the quality of life of the common people in a sustained manner and finally, if development is achieved and sustained, empowerment takes place- a state of evolution where individual will be free to exercise their even choices on matters affecting them.’ In this context, governance is defined as ‘the creation of certain’ structure which cannot be externally imposed, but is the result of the interaction of a multiplicity of governing and each other influencing actors. Martin Doornbos (2003) has tried to widen the potential coverage of the term. According to him governance could address issues related to political structuring and its handling while at the same time including issues of administration and management. In his opinion it opens a window for focusing on how 'politics' are embedded and conducted within larger structures. In the post 1990s scenario some scholars have also defined governance in two domains i.e. ‘market and the nongovernmental sector’. But there is wide consensus among scholars that ‘governance is a broad-based process which encompasses state-society interactions and partnerships and it is therefore hierarchical’ in nature. Thus, the concept of governance, encompasses;

(1) Good administration,

(2) Participation,

(3) Accountability

(4) Empowerment,

Cooperation with the non-governmental sector or public-private partnership of late, political structuring (as pointed out by the Martin Doornbos, 2003) has been incorporated in the definition of the governance.

5.2 GOVERNMENTALITY

The term, in its original form, can be traced back to the philosophical notion as experienced by Michael Foucault (1978). The crux of his thinking about the governmentality is that ‘state has no essence. Power doesn't emanate from the centre rather it comes through various instruments of governance which construct the psychological set up of the individual.’ He says that experience from the understanding of knowledge of past three hundreds years provide an effective means to comprehend the political reality as a perspective in the history of present, of different ways in which an art called 'Government' has been made thinkable and practicable. He adds that 'the nature of the institution of the state is a function of the government-called as the governmental
rationality or governmentality. The idea of governmentality in Foucault’s mind emerged out of gradual evolution of understanding of knowledge. It has three stages.

(1) What is knowledge?

(2) Conditional ties of knowledge,

(3) Who is the subject of the knowledge?

These three are the institution building factors which he analyzed on the basis of past three hundred years of changes in the modern society. It shows that how the experiences have changed and made to understand under the instrumental control of various modes of governance of the state. The beauty of Foucault's idea is that he was able to identify 'that aspect' of polities which is injurious to the governmentality. He said that ‘the formulation of politics has changed. The phobic representation of a potentially totalitarian state looses its credibility. Promises of expanded individuals’ autonomy and responsibility become electoral necessity.’ It was major shift away from the traditional lines of thinking hence calls for greater elaboration and in depth interpretation.

5.3 GOVERNMENTALITY: NEW TRENDS

In the post 1991 scenario, governmentality in advanced liberal democracies is supposed to operate not through imposition but rather through cultivating conditions in which non-sovereign subject like NGOs and multilateral agencies is constituted. It, in fact, decanters the state as a monolithic source of power. In addition, scholars like Peter. O. Mally etc. have also advocated for expanding the meaning and context of the term. It is prepared to be called as ‘Neo-Liberal Govenmentality.’ Whatever is the form of application governmentality but one thing is clear that the legitimacy of power function of the government is the prime determinant of its capacity to govern. Whenever it gets illegitimated, capacity tends to get exhausted and institutional performance starts showing irregularities in explaining well being of the people. It is, therefore, pertinent to see how governability is defined and how it works in a complex socio-spatial set up like that of India.

5.4 GOVERNABILITY

Governability is the most important conceptual tool for analyzing well being as far as this work is concerned. As defined by Atul Kohli (1991) it has four related variables.

(1) The role of political elite,

(2) Condition of enduring political coalitions,
(3) Policy effectiveness,
(4) Capacity to accommodate political conflicts without violence.

A government whose power rests on fluctuating coalitions and whose leaders repeatedly fail to fulfill their stated goals and to control politically directed violence will be deemed to be a government with a low capacity to govern.’

A summary of what Kohli meant by the term and its variable is as follows:
a) Endurance of coalition refers mainly to the stability of social support. A fluctuating social base often implies fluctuating party membership and weak organisation. It, thus, indicates deinstitutionalization in a democratic setting.
b) Policy effectiveness can be judged by a government's performance on issues that the government itself considers in areas of priority. A government that repeatedly fails to accomplish its stated goals is likely to be a government that does not govern well.
e) The absence of open violence, especially in non-democratic setting does not necessarily indicate a government that governs well, but an increase in politically oriented violence in a more or less open polity nearly always indicates a growing crisis of governability.
d) Lastly, since institutions tend to constrain personal power, those who attain position of power because of personalistic traits usually show little interest in institutional development, or worse, actively seek to weaken existing institutions.

5.5 SOCIAL CAPITAL

Social capital refers to those stocks of social trust, norms and networks that people can draw upon to solve common problems. Networks of civic engagement such as neighbourhood associations, sports clubs and co-operatives etc. are an essential form of social capital, and the denser these networks, the more likely that members of a community will co-operate for mutual benefit. In its liberal form even e-mail exchanges among members of a cancer support group is a social capital. Social capital creates value for the people who are connected and -at least sometimes for bystanders as well.

Narayan and Pritchett (1997) describe five mechanisms the way social capital affects institutional performance;

a) Improve society's ability to monitor the performance of government.
b) Increase possibilities for co-operative action in solving problems with a local common property element,
c) Facilitate the diffusion of innovations by increasing inter-linkages among individuals,
d) Reduce information imperfections and expand the range of enforcement mechanisms.
Ben Fine (1999) observes the reemergence of social capital in both development studies and social sciences in general. These developments, as he observes, are closely connected to one another analytically and they reflect more generally the growing influence of mainstream economics over other social sciences. Despite its acknowledged conceptual weaknesses, social capital is accepted as a potential source for new research. Boix and Posner (1998) have tried to explain the origin of social capital and its effect on government performance. The concept's widespread acceptance as a descriptive and diagnostic tool, however, cannot obscure the fact that its predictions do not always hold good. Reason - social capital theory has not specified the logic of the micro linkages that tie a community's cooperative capacity to the achievement of good governance.

5.6 CULTURAL CAPITAL

Cultural capital is a general theory, in the sense that it attempts to construct explanations for things like 'differential educational achievement' in a way that it combines a wide range of differing influences. In this respect, almost any cultural feature of people's lives can, under the right circumstances, be applied to an explanation of achievement/underachievement.

Pierre Bourdieu (1977) argues that - questions of "power and ideology" are central to the differential achievement. According to him Cultural capital includes

a) Embodied in the individual (as a type of habitus),
b) Objectification in cultural goods,
c) Institutionalized as academic credentials

This concept in some respect has both strength and a weakness in explaining social processes related with well-being. A strength in term of the way the theory recognizes that a multi-causal approach to understanding the complexity of achievement is required, and a weakness in terms of the fact that is frequently difficult to pin down the relative influence of particular cultural on well being.

5.7 CIVIL SOCIETY

Civil society and social capital are often used in more or less similar sense. It is used to describe a realm of autonomous groups and associations, such as businesses, pressure groups, and clubs and so on. In conventional, liberal view civil society is identified as a freedom and responsibility, whereas the state operates through compulsory and coercive authority, civil society allows individuals to shape their destinies. This explains why a
vigorous and a healthy civil society are usually regarded as an essential feature of liberal
democracy.

5.8 SOCIAL WELL BEING

Social well-being is the real flesh and blood of the physical health of a region in one way;
it is the ‘expansion of choices of an individual. It is defined as-

"The general welfare of the society is intimately related to the welfare or well-
being of the individual in it. The general welfare, however, is not simply the sum of
welfare of individuals. It is not necessarily promoted if, for example, the aggregate
welfare increases because the rich gets richer faster than the poor gets poorer. The
distribution of individual welfare i.e. how many have how much, must be taken into
account as well as how much there is overall" (Oxford Concise Dictionary).

Now, what constitutes well-being? People living in a specific area can be
meaningfully differentiated from those living in other areas with respect to their
dimension. "It relates to income in its broadest sense, physical health and state of mind-
three basic conditions of individual well-being recognized in various literatures". The
experience of researches over the years has shown that social problems, like economic
problems, have an important spatial component, and that their incidence can be subject to
extreme real variations. It can be inferred from the statement that while evaluating the
well-being of people not only the social and economic conditions should be taken into
account but also the political will and propensity that fundamentally propels its own
functioning. Since, it is a function of spatial variations, politically motivated well-being is
also an important constituent of overall well-being of a society, and Susan Smith
(1999:76) has also pointed out: “Without more willingness to enter the polities of
prescription, geography is powerless to challenge the subtle ideologies that legitimize
enduring social inequalities.”

5.7 WELL-BEING IN NEW PERSPECTIVE

In a world where reasons for every seeming phenomenon are sought after, cause-effect
relationship between institutional performance and well-being is like another revelation.
But everything that is visible may not be a complete picture. When distances seem to
have reduced, it might have actually enhanced. This is true for aforesaid relationship also.
Institutional performance, in most cases, does not explain levels of well-being more than
two third of its variance. This happens while learning political performance or
governability apart. So, in effective sense, institutional performance explains who gets
what where. But what about the rest of the variance i.e. who do not get, where do they not get and most importantly why do they lot get it at all. And it is certain that no study can achieve this without taking into account the aspect of governability. This new perspective should indeed help 'Society n achieving greater realisation of well-being, governance, governmentality, governability, social capital, civil society is all the varied dimensions of one concrete reality i.e. well being. Traditionally, the impact of social capital and governance are over-emphasized in assessing the performance of the state but they have their own limitations. Social capital is more applicable at the micro level as pointed out by the scholars. Governance, on the other hand, is more a fashion in its use than a substantial instrument in uncovering deep structure for observations in well-being pattern over space. Governmentality and governability are more important concepts and tools in fulfilling the objectives of this work. Though governmentality is more an intangible phenomenon, it indeed helps in implementing governability as an important measurable input in understanding gaps between institutional performance and associated well-being in different states.

The main purpose of above discussion is to show the development in broader prospect which includes not only the government’s role in form of institutional performance but the role of people their history and culture in the process of development. But due the methodological limitations and lack of date we will examine development through institutional performance. For a person, seeking to know the health of a region, the fundamental question what causes the specific pattern of well-being across space? Does the answer lie in the institutional performance?

Well-being is generally regarded as the sum total of the health, education and material standard of living. In the current fashion of explanation- it is the expansion of capabilities. A person who is adequately qualified, possesses good health and lives with a descent standard of living is said to be at a good level of well being. Institutional performance, on the other hand, is the performance of the state government for the various institutions like education, health and welfare. A state called as developed one if its performance raises the standard of well-being of individuals.

5.7 STATES’ PERFORMANCE

In order to evaluate the performance of states six key measures could have been selected.

a) Physical Infrastructure
b) Medical Infrastructure
c) Educational Infrastructure
d) Enrolment enforcement

c) Welfare/social security provision

f) Economic status

These six measures are the most critical areas where the governments are likely to be examined. Physical, medical and educational infrastructure defines government's ability to successfully locate its resources at fundamentality most important places. Educational enforcement examines whether the government is able enough to attract desired population to education or not? It examines government's own network of information and public relations, its ability to break social taboos and generate new incentives for general public. Efficiency of government's distributive channels are assessed by the success of its welfare provisions. Finally, economic status of the individual is the story of the government's utilization its human and capital resources. A performance is said to be good when people are prosperous us enough to fulfill their needs without being deprived and dependent.

5.8 INSTITUTIONAL PERFORMANCE

Another way of explaining differential institutional performance is given by advocates of social capital Peter Mayer (2001), Fukuyama (1999), Boix and Posner (1998) who consider co-cooperativeness and association among people at the local level as the single most important factor in explaining institutional performance. It is needed excellent in explaining the superstructure i.e. existing infrastructural framework which, rather, is the function of its economic progress. But, it really fair to show whether the economic progress percolates down to the needy or not and more why it does not? Social capital explanation fails because the 'root' of the problem is not only social but also, and more vigorously, political. It fails because the dimension of the problem is not confined to the local level but at much larger scale where regional boundaries coincide with state boundaries. It also fails because it considers the impact of performance in terms only of overall welfare of society. A society, where rich gets richer and poor’s position does not improve, cannot be at the higher levels of well being.

5.9 DATABASE AND SELECTION OF INDICATORS

In light of above discussion there could be some ideal indicators which can throw light on the complex inter-relation of politics and economy. These could be as below.

A) Institutional Performance:

1. Percentage of villages electrified.
2. Hospital beds per million population.
3. Teacher per school (primary to secondary).
4. Enrolment of girl children in age-group 6-11 years.
5. Per capita state domestic at constant price

B) Well-being:
1. Percentage of people under poverty line.
2. Percentage of Female literacy
3. Expectation of life at birth
4. Average length of education

C) Economic status:
1. Rural income
2. Gross domestic product
3. Economic growth in different sectors
4. Government expenditure and Investment

Another way in which we will deal is H.D.I (Human Development Index), it simply denotes the well being and overall development of a region. The HDI is an index that aggregates the purchasing price parity GDP per capita with a gross index of life expectancy (which approximates health) and education standards. The index is measured on a percentile basis, with the highest possible score being one. Theoretically, if wealth brings about a corresponding level of social development, the HDI ranking should be similar to its GDP per capita ranking (UNDP 1999).

As the meaning of development reflects that it include many variables then we need to set a paradigm to analyse the variables and these variables could be best shown by indicators. Tibet's case is unique in itself that is why we need to take some precautions, as in Tibet most of the Tibetan lives in village we need to divide the statistics in rural and urban area.

Globalization: an interdependent interconnected world

It has been understood by globalization, the profound reorganisation of manufacturing, trade and services within a globally encompassing system. The actors in the globalization process are no longer the national companies that relocate limited and specialized parts of
their production processes, but globally oriented Trans National Corporations (TNCs) that organize their sales and production to operate worldwide. Trans National Corporations (TNCs) may have profit centers in their original home country, but grow across national frontiers with a global perspective. According to this, foreign direct investment reflects the economic activities of TNCs which are closely linked technology transfer processes in developing countries.

Investment in the developing countries has been concentrated - not in low wage areas, but on the contrary - in countries like Singapore, South Korea, Taiwan, Thailand, and others with relatively high level of wages in a Third World context. Thus, access to cheap labor does not explain much of the movement of productive capital. Two main reasons are given for this: the first is the overall decline in the share of low skilled labor costs in total production costs in capitalist production patterns that are more technology intensive and knowledge-based manufacturing, and second is the increased importance of physical proximity (regions) between suppliers, producers and customers, in other words, a phenomenon known as regionalization (Roberts and Hite 2000).

Analyzed on a global scale, labor has become more specialized, segmented and complex, in effect creating a new international division of labor. This division is also organized in regional sourcing and production networks. According to the forces of globalization, the direction of development is now being determined by the integrated networks of Trans National Corporations (TNCs) which through their investments, production, trade and technology transfers have created close links between certain countries and thus increased levels of regional integration. Since some national economies are far less integrated than transnational production and distribution systems, development research from a globalized perspective, suggests that it no longer makes sense to use the countries as primary units of analysis, but TNCs as unit of analysis. Globalization takes into account that economic growth and power is increasingly linked to control over international banking institutions, information, and technology. The control of decision making remains in the hands of the global ruling class composed by multilateral lending organisations such as the International Monetary Fund, the World Bank, multilateral organisations such as the World Trade Organisation, as well as by the owners and executives of TNCs. Current sociological trends in development research include global analysis of women, ethnic, and racial groups underrepresented in the global ruling class (Roberts and Hite 2000).
Globalization has also included the global application of the neo-liberal development and adjustment strategy or Structural adjustment programme (SAP) by developing countries as means of achieving success in the global market. This strategy, heavily promoted by lending agencies such as the World Bank, includes opening to foreign trade, extensive privatization of the state enterprises, restructuring and downscaling of state-supported social programs, fiscal adjustment, deregulation of goods and services, and liberalization of the capital market. The results of the application of the neo-liberal development adjustment strategy have been far from homogenous. Not surprisingly the “application of the strategies has failed to pay attention to the historical contexts, the political and demographic factors, the social and political structure in which the policies have been implemented” (Portes 1997: 109). In other words, the socio-political characteristics of societies must be considered as a parameter in developmental polices and programme.

Globalization also introduced in the development agenda considerations about the impact of growth and socio-economic change upon the physical environment (Echeverria 1995; Musu and Lines 1995). These choices were especially important for competition among developing countries that lead to the exploitation of non-renewable resources under lax environmental protection regimes. However, if all the underdeveloped countries were to arrive to a developed stage, this situation would be globally unsustainable (Sutcliffe 1995). Environmental sustainability supports for values that promote a standard of consumption which lies within limits of what is ecologically feasible. Sustainable development therefore has to be a process that fulfills present human needs without endangering the opportunities of future generations to fulfill their needs. A process that can be continued over generations. Human development without attention to sustainability issues would “improve conditions of the present generations at the cost of future generations or species (the unborn subsidize the poor)” (Sutcliffe 1995). On the other hand, sustainability without human development implies maintaining resources for the current consuming distribution -the poor subsidize the unborn and the rich. According to Sutcliffe, human development is in danger of being unsustainable unless there is a redistribution of the present, and sustainable development is in danger of being anti-human unless it is accompanied by redistribution of the present. Development therefore is not about human development or sustainable development alone, but about sustainable human development in which the distribution of resources in the present and the future are affected. Sustainable human development, therefore, is improving the income, education and health of all segments of the population including women, ethnic and religious
minorities and the poor. Sustainable human development must not only be economically viable, but also socially just, and environmentally sustainable. Today, extreme degrees of inequality both between nations and within nations seem to prove the absence of redistribution of resources, however sustainable human development still makes sense for developing countries as an attempt to make gains in relation to welfare (human development) and local sustainability (Sutcliffe 1995). One could argue that the paradigm of development is no longer valid and has collapsed under the forces of global competition. However, globalization does not mean a global theory of development. It does mean, however, that structural adjustment plans are carried out by governments of developing countries interested in receiving loans. Developing countries that require access to capital have had to accept the conditions attached to these loans such as neoliberal development strategies suggested by the World Bank and the IMF. Today, most governments in development processes involve among others, privatization of state-led enterprises, reduction in state expenditures and size, lifting trade barriers and opening internal markets (World Bank 1999).

6. Contextualizing Tibet’s Political Economy in Theoretical Framework

Contextualizing the development of political economy in Tibet drawing on our experiences from world over is dangerously fraught with difficulties in view of its complex nature. Peculiar economic characteristics and distinct socio-cultural pattern produces ruptures in the form of ethnic conflict. Hence to provide framework of theories of political economy of development in Tibet one needs to look into historical theoretical literature on the model of national development.

6.1 MODELS OF NATIONAL DEVELOPMENT

There are predominantly two accepted theoretical position- ‘diffusion model of development’ and against the alternative models of ‘Internal colonialism’: it must be emphasized here that both models of national development were evolved in the wake of development and industrialization.

6.1A Diffusion Model of National Development

According to the diffusion model the integration of the core and periphery take place in three stages. In stage one, which typically is a pre industrial age; core and periphery lie in virtual isolation from one another. This is marked by sharp differences in their economic, cultural and political institutions. In stage two, the socio-cultural interaction of the core-periphery get strengthen with onset of industrialization. In third stage, socio-cultural
difference cease to exist and political process occurs within a framework of National parties ensuring a fair representation of all ethnic groups. This model therefore assumes that sustained and intensified mutual contact, say by rapid industrialization could bring in harmony among the warring factions. But the interaction per se is seems to be insufficient condition for the realisation of national development. Much emphasis is placed on the power of the central government to coerce the recalcitrant collectively into acceptance of the core culture. This is best done by the manipulation of cultural symbols and values especially through the communication media (Hechter, 1999). Defining the essential features, the structural diffusion theory list the modern social organisation of the core as follows: 1- Wide division, 2- Capital intensive production, 3-High per capita income, 4- Rapid and high urbanization, 5- A rapid bureaucratic structure. This, the traditional periphery is characterized by the following: 1-Low per capita income, 2-High rural structure, 3-Labour intensive production, 4-Large extended family, 5-Rational values and norms. By virtue of being modern and progressive, the core attends to fuse cultural integration of the periphery. But the periphery persists with relative economic backwardness despite the core efforts. The peripheral oppressive socio-cultural institutions are blamed for its persistent economic backwardness. But the theory is optimistic that the acculturation takes place leading national integration subsequently.

6.1B Model of Internal Colonialism

The model of internal colonialism posits a diametrically option relation between the core and periphery. Accordingly the later is exploited economically and dominated politically by the former. The uneven industrialization triggers off relatively an affluent best work society and region. This process brings with it an unequal distribution of resources and power between these sections. All major economic policies are formulated in the core and imposed on the periphery. However, the core’s penetration of cultural intuitions into the peripheral structure severely erodes it. The intensification of the penetration is profound in the 20th century due to the emergence of institutions such as media, newspaper, radio and television- mass literacy, establishment of national school system etc. Inspite of such profound influence by the institutions of the core, the persistence of peripheral culture suggests a pattern of resistance to assimilation, a resistance to virile that powerful behavioral management technique cannot overcome it (Hechter 1999).

Internal colonialism seems to be exhibit the following characteristics:

(1) The core retains the monopoly of commerce, trade and credits over its periphery
(2) Banker, managers and entrepreneurs receive the plump postings from the cores,
(3) The periphery thus compliments the core in the development efforts and finally pushed being dependent on external markets.

A comparison of both the model suggests that while regional economic disparities tend to narrow down in the case of diffusion model, but for the internal colonial model it tends to persist or widen in the process of development. Secondly the former predicts acculturation of periphery and in the case of lather the periphery asserts its cultural periphery asserts its cultural supremacy over the core. Finally, the diffusion model persists that political behaviour in all the regions of the country is characterized by political cleavages whereas the internal colonial model states that the cultural heterogeneity will largely influence political cleavages. Against this background what actually forces the later to seek a separate nation from the core in the socio-cultural differences. By asserting its cultural identity as equal or superior, the periphery declares succession from the core thereby arresting the process of 'simization' of the Tibet periphery. Since the case of Tibet is not the case of free and independent state and demand of my research is to have a paradigm which could be applicable to closed linked state either in terms of economy, politics or both. Since the diffusion model of development and model of internal colonialism represents the two different political economy views but closely explains the theoretical aspect of closely kinked state, although it has its own limitation.

**A BRIEF NOTE ON DEMOGRAPHY OF TIBET**

Three demographic features distinguish Tibet (TAR) and make it useful as standard for deciphering the conditions of Tibetans within China. The population of Tibet (TAR) is predominantly of indigenous Tibetan ethnicity, most of these Tibetans live in rural areas, and most of the Chinese immigrants in the TAR reside in urban areas or townships. Because the Tibetans are homogeneous in the rural areas, they can be identified as a group within the TAR statistics, and their conditions thus appraised. The conditions of the Chinese and other migrants can be partially inferred from the urban statistics. In 1990 the total ethnic Tibetan population throughout the five Chinese provinces inhabited by Tibetans was 4.593 million (China Yearbook 1998, pp 39). From this total, 2.097 million resided in Tibet (TAR), 1.087 million in Sichuan, 912 thousand in Qinghai, 367 thousand in Gansu, and 111 thousand in Yunnan (TIN/Census 1998). If the growth rate of the Tibetan population in Tibet (TAR) were used as a measure for the growth rate of the overall Tibetan population, by 1998 the total Tibetan population would have been over 5 million. The total reported population of the TAR in 1998 was estimated to be 2.52
million, making the Tibetan, or ethnic minority share of about 2.38 million more than 90 percent of the reported total (China Yearbook, 1998 pp-113). This figure does not include military personnel and it may not include many of the unregistered migrants in the region, which would lower the proportion of Tibetans in the effective total population of the province. Tibet (TAR) is predominantly rural, with 84.64 percent of the total population residing in rural areas in 1998, and 82.35 percent of the labour force working in the rural areas (China Yearbook 1998 pp- 379). This makes the population of Tibet the most rural in China. As previously noted, this share may be overestimated due to the fact that military personnel and unregistered migrant workers tend to go unreported in the provincial population statistics and both of them tend to concentrate in Lhasa or in townships (TIN 2001). Thus both the ratios of urban to rural and migrant to indigenous population may be significantly underestimated. Nonetheless similar problems exist in the estimations of the urban population for the rest of China, maintaining the fact that Tibet is the most rural region of China. Finally, while the rural areas are almost exclusively populated by indigenous Tibetans, most Chinese and Hui migrants in Tibet (TAR) reside in urban areas or townships, where they form a significant proportion of the urban population. Or in other words, if an extrapolation along ethnic lines is made from the 1998 data of the Yearbook, about 89 percent of ethnic Tibetans were rural, while only 14 percent of the registered Chinese resided in rural areas and they accounted for only 0.9 percent of the rural population. On the other hand, 86 percent of the registered Chinese population resided in urban areas or townships, accounting for about one third of the urban and township population. Thus rural Tibet is real reflection of Tibet.