

## Ch 1 - Development

### Exercises:

1. What is the main criterion used by the World Bank in classifying different countries? What are the limitations of this criterion, if?

A(a) In the World Development Reports, brought out by the World Bank has used the criterion of average income or per capita income in classifying different countries.

(b) The average income or the per capita income is the total income of the country divided by its population.

According to the World Development Report, countries are classified as mentions below:

(i) Countries with per capita income of USD 12,056 per annum and above in 2017, are called rich countries.

(ii) Those with per capita income of USD 955 or less are called low-income countries.

(iii) India comes in the category of low middle income countries because its per capita income in 2017 was just USD 1820 per annum.

(iv) The rich countries, excluding countries of the Middle East and certain other small countries, are generally called developed countries.

Limitations of the criterion are as mentioned below :

1. It does not tell us how this income is distributed among people. A country may have a more equitable distribution. People may be neither very rich nor extremely poor.
  2. In another country with the ~~see~~ same average income, one person may be extremely rich while others may be very poor. So, the method of average income does not give a correct picture of a country.
  3. This system hides disparities among people.
2. In what respects is the criterion used by the UNDP for measuring development different from the one used by the World Bank ?
- A In the World Development Reports, brought out by the World Bank has used the criterion of average income or per capita income in classifying different countries.

According to the World Development Report, countries are classified as mentioned below:

- (i) Countries with the per capita income of USD 12050 per annum and above in 2017, are called rich countries.
- (ii) Those with the per capita income of USD 955 or less are called low-income countries.
- (iii) The UNDP compares countries based on HDI, i.e., on the educational levels of the people, their health status ~~and~~ and per capita income or average income.
- (iv) Human Development Index used by UNDP is better because it is a wider indicator in which besides per capita income, health and education are also included.

3. Why do we use averages? Are there any limitations to their use? Illustrate with your own examples related to the development.

A We use averages for comparison between two countries, two persons or any two or many things.

There are the following limitations to the use of averages:



1. Averages do not tell us about similarities or differences between two countries or persons or things.
2. By averages only one aspect income, size, etc. in case of country, marks or participation in sport activities etc. in case of student, can be compared. All aspects or achievements are not compared.
3. As only one aspect is compared, it does not give a true picture of different countries, persons or things.

For example, students differ in height, health, talents and interests. The healthiest student may not be the most intelligent or topper in studies. Similar in the case in respect of or states. A country may be ahead than the other country in one field but may lag behind in the other field. So averages do not give the correct picture.

- 4 Kerala, with lower per capita income, has a better human development ranking than Punjab. Hence, per capita income is not a useful criterion at all and should not be used to compare states. Do you agree? Discuss.

A It is correct to say that per capita income is not a useful criterion at all and should not be used to compare states due to reasons as mentioned below:

(a) Money cannot buy all the goods and services that you need to live well. Income by itself is not a completely adequate indicator of material goods and services that citizens are able to use.

(b) There cannot be a pollution-free environment in a colony of rich people unless the whole country community takes preventive steps.

(c) Sometimes, it is better to have collective service like security for the whole locality than to have individual security for one's own house. Again a school may be opened for the children of the whole community rather than for one or two children of a rich person.

(d) Kerala has a better Human Development Rank than Punjab.

(e) In Kerala, Infant Mortality Rate is 11 ~~in~~ in comparison to 49 in Punjab, where the per capita income is much more than Kerala. It is Rs. 26000 whereas in Kerala it is Rs. 22800. It is because Kerala has adequate basic health and educational facilities.



(f) Similarly in some states, the Public Distribution System (PDS) ~~fun~~ functions well and people get ration regularly whereas in some states ration shops do not function.

5. Find

5. Find out the present sources of energy that are used by the people in India. What could be the other possibilities fifty years from now?

A (a) The present sources of energy that are used by the people in India are electricity, coal, crude oil, cow dung and solar energy.

(b) other possibilities fifty years from now, could include ethanol, bio-diesel, nuclear energy and better utilization of wind energy, especially with the imminent danger of oil resources running out.

6. Why is the issue of sustainability is important for development?

A (a) Sustainable development means that development should meet the needs of the present without compromising the needs of the future.

(b) However, since the second half of the twentieth century, a number of scientists have been warning that the present type and levels of development are not sustainable.

(c) The issue of sustainable development has emerged from rapid industrialization of the world in the past century. It is felt that the economic growth and industrialization have led to the reckless exploitation of natural resources.

(d) On the other hand, the stock of natural resources is limited. So, the growth of all countries in the future is likely to be endangered if the limited resources are completely exhausted.

(e) Under these circumstances, the issue of sustainability has become important for development. A number of resources are being over-used. For example, groundwater is under serious threat of overuse in many parts of the country i.e., Punjab, Haryana and western U.P. The water level has declined over 4 meters. As a result of it if we go on overusing there will be a water crisis in future.

(f) Similarly, if non-renewable resources are used recklessly these will also be exhausted.

7. "The Earth has enough resources to meet the need of all but not enough to satisfy the greed of even one person." How is this statement to the discussion of development? Discuss.



A(a) This statement is ~~not~~ relevant to the discussion of development since both resources and development go hand in hand.

b) As the statement claims, our earth has enough resources - renewable and non-renewable to satisfy everyone's needs if we use them in an economic manner.

(c) For the sustainability of development, the consumption and maintenance of resources is also crucial. We have to use the resources keeping our environment protected and clear so that there is a balance between the development and use of our resources. As otherwise after a certain point of time in future the development will be stagnated.

8. List a few examples of ~~enviro~~ environment degradation that you may have observed around you.

A Some of the examples of environmental degradation that you may have observed around in the area are as follows:

(a) Air pollution has increased due to the emission of smoke from factories and vehicles.

(b) There is an increase in water pollution due to shops and small factories in residential areas.

(c) There is noise pollution due to the use of loudspeakers at night and blowing of horns ~~by~~ on the roads by different vehicles.



(d) People throw garbage ~~is~~ ~~wherever~~ wherever they want. Perhaps there is no provision for dustbins in the streets or roadsides.

(e) Sometimes people urinate in the open on the roadside due to lack of public conveniences.

13. Explain how the Public sector contributes to the economic development of a nation.

A In the following ways Public sector contributes to the economic development of a nation:

- It promotes rapid economic development through creation and expansion of infrastructure.
- It creates employment opportunities.
- It generates financial resources for development.
- It is ensuring equality of income, wealth and thus, a balanced regional development.
- It encourages development of small, medium and cottage industries.
- It ensures easy availability of goods at moderate rates.
- Contributes to community development i.e. to the Human Development Index (HDI) via health and educational services.

14. The workers in the unorganised sector need protection on the following issues: wages, safety and health. Explain with examples?