UNIT 13 DEVELOPMENT: GOALS AND ISSUES

Structure

13.0 OBJECTIVES

By the time you complete the study of this unit you should be able to do the following:

explain the meaning of the term economic development;
distinguish between "economic development "and "economic growth",
pinpoint the objectives of planned economic development in India;
analyse the nature of relationship among various objectives which is complementary as well as conflicting,
indicate the necessity of achieving the objectives within a given time horizon; and
describe how the development goals are decided and set and who sets them.

13.1 INTRODUCTION

In an earlier unit you learnt about various types of resources a country has. It is on these natural, capital, energy and human resources that the development of the course economy depends. Here first we must ask: What is development? This is of course a difficult question to answer because there is no particular definition of development acceptable to everybody. Some say development means growth; some others say it means progress; still others would like to call it modernization Development does involve growth, progress and modernization but these terms are too broad and may mean different things to different people.

13.2 MEANING OF DEVELOPMENT: VARIOUS RELATED CONCEPTS

DISTINGUISHED

Development is not just a descriptive word. It must stand for something that we consider worthwhile. In order to get some idea let us discuss this proposition in some detail. First, development defined is as growth and progress. You may have observed a sapling growing into a tree when it begins to give fruits or a she-caff growing into a heifer and then into a cow giving milk. Both are examples of growth with such outcome as you and I desire an everybody else desires. It is this sort of desirable growth that can be called development. Let us follow on these two examples further. As you raise more and more cows, output of milk grows. It is this type of output growth that is defined as development. If, however, the poor mother and her child are priced out of the milk market, even this kind of growth becomes ambiguous from the development point of view.

Another example can be given from which you will see that there may be growth, but no development. Think of yourself as a development planner who has a certain area of land and other resources Suppose you have two options before you: raising of rabbits for meat or raising of cows for milk. Which of the two options will you choose? You know that rabbits breed faster than cows. If you firmly believe that just growth is development and faster growth means better development, you will apparently choose the first option. It surely will give you higher growth rate of output (rabbit meat) compared to the output (milk) growth possible from the second option. But if very few people in the society are prepared to eat rabbit meat, your achievement of high growth will be of little use. Since for most people in the society the outcome of this growth is undesirable, it cannot properly be called development.

13.2.1 Economic Growth *versus* Economic Development

Thus, development is that type of growth which has desirable outcome, which is consistent with the preferences of the people, and which satisfies human wants. This type of growth also means progress. Indeed it means material progress. In other words, increasing availability of goods and services needed in the society may indicate development.

This increasing availability of goods and services must, at the same lime, be seen in relation to the population growth. If the total population is growing faster than the total availability of goods and services in the society, you can easily see that availability per capita will be declining. When such a situation holds, growth or development is retrogressive. In the second possible situation when the total availability of goods and services grows at the same rate at which the population is growing, development is stagnant. And finally, when total availability of goods and services grows faster than the population we have the case of progressive development.

The availability of goods and services in a society is measured by its national income. So development as growth is reckoned as growth of income and of per capita income of a country. Many people, however, argue that this is purely a quantitative and summary way of measuring development. Instead, development should be judged by the improvement it makes in the quality of life of the people. Quality of life depends on many things health, hygiene, nutrition, life-expectancy, education, housing and general living conditions. It is indeed difficult to measure quality of life. This difficulty apart, it is the improvement in quality of life that indicates progress rather than the growth of per capita income.

Let us now try to understand development viewed as modernisation. Sociologists use the word modern as opposed to traditional. Traditional means old, that may have come down from ancient times. Caste in India, for instance, is an ancient traditional institution. Similarly, simple bullock drawn wooden plough is a very ancient traditional device for land cultivation in India. Modernisation means giving up the traditional and adopting the new and newer ways of methods, techniques, devices and institutions. In short, modernisation means increasing application of science and technology to the production of goods and services in the   management of the economy. However, modernisation does not mean just imitating advanced western countries. Even science and technology, particularly the latter, have to be adapted to the natural and human environment of a country.

13.2.2   Economic Development: A Wider Concept

Modernisation as defined above promotes growth and development. It promotes growth by improving the efficiency of production processes. How does it improve efficiency? In two possible ways. First, new technologies of production incorporating scientific advances make it possible to produce higher level of output from the same level of inputs. Second, where new technologies require higher levels of inputs they make it possible to produce far higher levels of output compared to the old technologies in either case, you can see, the inputs per unit of output would be lower compared to the old production process. This is what we mean by improvement in the efficiency of production. This saving in inputs, in turn helps in achieving   higher growth of output of goods and services in the economy. We may thus conclude by saying that modernisation is a means of promoting growth of desired goods and services satisfying human wants and needs. This is indeed what we mean by development.

Development as growth and carried beyond a point thoughtlessly, or by way of imitation of. Western experience only, begins to produce adverse consequences for human health and well being. All over the world, and particularly in the developed countries of the West, it has caused ecological degradation and environmental pollution. You may have heard about acid rains in Germany destroying forests, flora and fauna. These are industrial acidic pollutants in the atmosphere which come down with the rains. In India, far away from the Western levels of development there has been considerable ecological degradation due to   massive deforestation. Due to excessive use of nitrogen fertilizers in some parts of Central Punjab, there has occurred nitrate pollution of underground water to a level where it has become unfit for human and animal consumption. Examples of such adverse consequences of development are numerous and you could try to give a few yourself.

Such adverse consequences have led ecologists, naturalists, scientists and planners to point to "limits to growth" and to plead for what is called 'Sustainable Development". You will agree with me that development viewed as growth and modernisation ultimately leads to exploitation of nature by man. When this exploitation surpasses the unbearable limit, nature gives way and begins to affect development itself adversely. If you do too much of logging, you will be left with little forest for future logging. Your growth of log production will decline. Besides, deforestation will cause soil erosion, flooding and falI in the intensity of rainfall, all affecting agricultural production adversely. Similarly, if you have mined all your oil reserve, there will be nothing left for supporting development in future. It is this sort of phenomena which lies behind the idea of sustainable development. It is a process of development which is not   destructive of the life cycle of natural resources Thus, sustainable development is one which   conserves and preserves natural ecology and environment.

Check Your Progress

Note:
    i)   Use the space given below for your answer.
    ii)   Check your answer with that given at the end of the unit.

Circle the correct answer

1)   Economic Growth is:
        a)   the same as economic development
        b)   the enhancement of a nation's capacity to produce new kinds of output
        c)   the expansion of a nation's capacity to produce goods and services
        d)   maintenance of a standard of living
        e)   characterised by all of the above.

2)   Which of the following does not characterise economic development?
        a)   a high level of saving
        b)   an inequitable distribution of income
        c)   a high per capita income
        d)   a large middle class.
        e)   a low rate of population growth.

3)   Economic growth is desirable because:
        a)   it maintains the absolute standard of living.
        b)   it improves the absolute standard of living for some people but not necessarily all.
        c)   it improves the absolute standard of living for everyone.
        d)   it causes lower rates of saving and hence higher economic growth over time.
        e)   it causes lower rates of investment and hence higher economic growth over time.

4)   Which of the following statements about economic development is true?
        a)   Economic development is the development of new technologies
        b)   Economic development means maintaining the existing level of wealth and income in a country

5)   From the following list select factors which are among the keys to economic development.
        ecology, population growth a decline in profits, high wages for workers, high levels of savings and investment, sufficient quantity and quality of labour.

6)   Indicate whether the following are true (T) or false (F):
        a)   An economy can have economic development without economic growth, but not vice
                versa. ( )
        b)   Slow rates of economic growth allow poverty to increase and continue. ( )
        c)   income and population growth are inversely related. ( )
        d)   One of the biggest obstacles to economic development is low levels of investment.
        e)   Economic development leads to modernisation in the economy.

7)   Write five lines on what you know about economic development.

13.3 GOALS OF INDIAN DEVELOPMENT: OBJECTIVES OF PLANNING IN INDIA

Let us now see what the development goals of a developing country are. Following independence, India has opted for planning its development. The successive Five Year Plans starting from the First Plan in 1951 are, in fact, the means through which this development has so far been carried OUT. And it is in these plans in which you will find the development goals of India. Briefly stated, these are:

1)   Growth of national income;

2)   Reduction of income inequality among different classes and regions;

3)   Reduction of inequality in the private ownership of the means of production, including   land, so as to prevent concentration of wealth and assets in fewer hands;

4)   Increase in employment,

5)   Removal of poverty;

6)   Provision of basic minimum needs;

7)   Ecology conservation and environment protection;

8)   self-reliance of the national economy.

These goals, you will see, recur in every Five Year Plan except the goals No. 5 and 6 which were introduced with particular emphasis in the Fifth Plan (1974-79) and goal No 7, which was introduced in the Seventh Plan (1985-90). All these goals or objectives fall into four broad categories: (a) growth, (b) distribution or social justice, (c) conservation protection of natural resources and environment, and (d) self-reliance.

In the preceding section, we discussed in detail development viewed as growth. But growth by itself does not ensure a fair distribution of benefits of development. On the other hand, building a just and equitable social order requires that basic minimum needs of every citizen are fulfilled and benefits of development are so distributed as to reduce inequality of incomes and assets. Therefore, "growth with social justice" is the dual goal of Indian development programme. In the list of goals given above goal Nos. 2 to 6 fall within the broad category of social justice. Environment protection and conservation of natural resources, as discussed earlier, ensures condition for sustainable growth.

Self-reliance of the national economy has been an important goal since the First Five Year Plan. It means that the country should export more than is required to pay for its imports so that it is kept free from external debt and dependence. Looking at it from the import side, self-reliance also means replacing necessary imports specially of capital goods, machinery etc., by domestic. This is what is called Import substitution. Thus there is a two-pronged approach to self-reliance: export promotion as well as important-substitution.

What about the relevance of these objectives for the future'? There is little doubt that these   will remain relevant for the future development also in fact, the less these objectives have been realised in course of the actual development in the past, the more is their relevance for the future.

13.3.1   Relation among Goals: Conflicting and Complementary Goals

Among the various goals of development there may be either a complementary or a competitive   relationship. Take any two goals. There is a complementary relationship between   them, when   a development plan makes a positive contribution to one of the two objectives, and there   occurs simultaneously, a positive contribution to the second objective also. On the other hand, between any two goals, or objectives, there exists a competitive relationship when a   positive contribution to one objective leads to a negative or no contribution to the   other at   the margin in other words, it means that development may help achieve one   objective a little   more marginally, sometimes only at some sacrifice of the other. again   marginally

You can easily see that there exists complementary relationship between employment generation for the poor and poverty removal. As you give employment to the poor, income of the poor goes up and their poverty is reduced. Thus, you make positive contributions to both employment generation and poverty removal simultaneously. In contrast, there may be conflicting relationship between growth and income distribution objectives A higher growth of income requires higher rate of savings and investment out of a given income. But a better distribution of this income invariably means more of it going to the poor, who have less capacity to save leading to a relatively lower overall rate of saving, investment and growth   of income. On the other hand, a better distribution of income may lead to higher productivity of labour, less of social tensions which may lead to stabler and higher growth in this case you see that, income distribution may or may not be in conflict with the objective of growth of income. Depending on circumstances, you can have a little more of one, only by having a little less of the other. There could similarly be a conflict between growth and conservation objectives. As for the objectives of social justice (Goal Nos. 1 to 6 in section 11) these may not always be complementary such that while fulfilling one goal others are automatically   fulfilled. Let us illustrate this point by considering two such goals: poverty Removal and income Distribution.

Suppose A and B represent the poor and not-so-poor strata at society at the beginning of a development plan. Suppose further that their initial monthly incomes are Rs.50 and Rs.200 respectively. The poverty line income given to us is Rs. 76 per month per person at constant prices. Poverty elimination program me under the plan if A's income is indicated raised to more than Rs.76 per month. He would cross the poverty line and become a non-poor like B.

Consider now two possible growth patterns of income. First, when income of both A and B may have grown at the same rate. Second, when A's income may have grown faster than that of B's. The table below (13.3.1) gives the initial and final positions in respect of poverty and income distribution under the conditions described above. The final position

I is obtained when incomes of both A and B have risen at the same rate i.e. both doubled over the plan period. The final positions II and III are obtained when income of A has risen faster than that of B, the only difference being that while in the former case A's income has increased four-fold, it has increased six-fold in the latter case.

Table 13.3.1: Showing Relation between Poverty Removal and Income Distribution Goals.

Description	Initial Position	Final Positions I	II	III
1. A's Income	50	100	200	300
2. B's Income	200	400	400	400
3. Poverty Line Income	76	76	76	76
4. Income Disparity (Difference Between A's and B's Income)	50	300	200	100

Now let us analyse the results achieved. You can see from the table that in every case A has crossed the poverty line. The goal of poverty elimination has thus been achieved. What about the goal of reducing disparity in incomes? Compared to the initial position, disparity- in absolute terms has increased in final position I and II but reduced in III. Our conclusion: poverty may get eliminated while disparity in incomes may increase or decrease depending on the relative growth of incomes of the poor and not-so-poor. Only when the incomes of the poor grow very much faster (position III) disparity will get reduced simultaneously with elimination of poverty. Now a question: Is the relationship between the goals of poverty removal and reduction in income disparity complementary or conflicting?. Certainly, it is not conflicting, because for reducing a little more of poverty you do not have to have a little more of income disparity. But they are not fully complementary either in the sense that if you try to achieve poverty elimination you will automatically reduce income disparity. On the other hand, if you try to achieve reduction of income disparity you may be able, at the same time to reduce poverty (position III). It is however possible to distribute poverty also if, for instance, incomes of A and B were to remain constant at their initial positions at say Rs. 50 for A and Rs. 100 for B, we could achieve absolute removal of income disparity by dividing their total income (As. 150) equally at Rs.75 each. That would push both A and B below the poverty line, though A would be a little better off. When such a relationship holds between objectives we call them 'partially complementary

Check Your Progress 2

Note. i) Use the space given below for your answer.
ii) Check your answer with that given at the end of the unit.

1) What are the four basic objectives of planning in India?

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2)	Fill in appropriate word or words in the blanks choosing them from the brackets given below.

	i)	Growth by itself ---------------------------------- ensures a fair distribution of development benefits. (does/does not)

	ii)	Building a just and equitable social order -----------------------------basic minimum needs of every citizen fulfilled (requires/does not require)

	iii)	"Growth with social justice" is the -------------------------------goal of India's development 		(single/dual)

	iv)	The objective of self-reliance------------------------------------- import of goods and services from broad. (includes/does not include)

3)	Indicate which of the following statements are true (T) or false (F):

	i)	A complementary relationship exists between employment generation and poverty removal objectives
	ii)	The less the development objectives have been realised in course of the actual planning in the past, the more is their relevance for the future.
	iii)	Self-reliance means replacing all imports by domestic manufacture,
	iv)	Increase in employment does not fall within the broad category of social justice

4)	Are the objectives of planning in India conflicting? Write your answer in about 100 words.

13.4   DEVELOPMENT GOALS AND TIME HORIZON

Development goals are set to be achieved, but achieving them requires time. Even a race runner requires time to reach his goal. You reach your goal in shorter or longer time depending   upon the energy you can put into your running activity. You may fall short of the goal if your energy fails you, or something unexpected happens on the way. In a similar manner, development is a race in time, often with time to stay in time same place, you have to run very fast.

Look back at the list of Indian development goals have in section II. You will notice that none of the goals is time bound nor are they given in the form of a fixed or definite

target. In contrast to this in the race runner's case the goal is fixed in the form of a definite target, let us say 800 meters away to be reached in the shortest possible time. What can we say about these development goals vis-a-vis time? They are general statements of what the country desires and as such they have figured in every successive development plan. More so, to the extent they remain unfulfilled, they will continue to be the goals of future plans also. But in the form in which the goals are stated in the list, they have no time dimension.

Like in the race runners case, only when a development goal is set up in a definite fixed form, time enters into the picture. Take for instance, the objective of growth of national income. Only when the rate of growth of national income is fixed, say at 5 or 6 per cent per annum the objective takes a definite time bound form. Similarly, poverty removal is the general goal. And only when the development planner says that the percentage of poor people in the country will be reduced from 37 per cent as of 1985 to say I per cent by 1997, this goal or objective takes on a time bound frame .

13.4.1　Development Target, Time-Horizon and Required Resources

Achieving a given target over a fixed time-horizon implies that adequate or required amount of resources will be put in or will be forthcoming towards that end. Resources are like the energy in the race runner's case which takes him to the target. What will happen if the adequate amount of resources are not forthcoming? Obviously, the target will not be achieved over its presumed time-horizon. When a development planner anticipates such a situation he can do the following. He can scale down the target, keeping the time-horizon fixed. Alternatively, he can keep the target fixed and lengthier, the time-horizon. To see it concretely, let us go back to the target of poverty reduction from 37 to 10 per cent over the time horizon of 12 years   between 1985 and 1997. If, for some reason, the resources available are inadequate for meeting this target the planner can do two things. He can scale down the target: setting for instance 25 or 20 instead of 10 to which the percentage of population below the poverty line will be brought down by 1997. Alternatively, he can keep the target of such reduction to 10 per cent but extend the time horizon for achieving it to, say, 2000 A.D.

You thus see that development goals, targets, time-horizon and resources are related to each other. General development goals, when given a definite, fixed form, become targets. A target has a time-horizon over which it is sought to be achieved. Depending upon the availability of resources a target and its time-horizon are finally decided.

13.5　FACTORS DETERMINING GOAL SETTING

How are the development goals of a country decided and set, and who sets them? Who has, for instance, decided the list of Indian development goals as given in section 13.37. Is it the government or the planning commissioner or the electorate of the country?

The process of goal setting is not so simple that a single agency or institution does it. There are three major factors which govern the development goals of a nation: the historical circumstances of the time, the socio-economic problems, and the political processes and institutions of the nation. Let us see how each of these factors plays its role.

13.5.1 Historical Factors and Goal Setting

You know that, following the Second World War most of the third world countries, specially in Asia and Africa, attained their political independence from Western colonial rule. This historical circumstance motivated them to adopt economic self-reliance as a major goal of their development. Why? Because, they feared that, if they did not pursue economic self-reliance, their economic dependence on ex-colonial powers may endanger their political independence again. Jawaharlal Nehru, the architect of Indian developing planning used to say, "political independence is not complete until India attained economic independence". Economic self-reliance or independence as a development goal, thus, arose out of the historical circumstances in which the third world countries found themselves prior to and after their political independence.

Stagnation of their economies during the colonial rule and the drain of their resources to imperialist countries again turned them to adopt growth as another major goal, now that they had control on their own resources.

13.5.2 Socio-economic Problems and Goal Setting

Apart from historical circumstances the development goals of a country are determined by its specific socio-economic problems. In a country like ours where population and labour force have been growing at a fast rate, employment generation becomes an obvious goal of development. Similarly, vast number of people being poor, how can a third world country overlook poverty removal as a goal of development? But once poverty and unemployment problems are solved, these will no longer remain desirable goals of development.

13.5.3 Political Process and Goal Setting

Political processes and institutions are the means through which development goals are articulated and crystallized and finally adopted as national goals. Political processes and institutions are not the same in every country. In the socialist countries such as the former Soviet Union and China, with their single party system of government, goals of development emerge through debate and discussions in the vast net-work of the party organs. In a multi-party parliamentary democracy like the process begins with elections to parliament and state legislatures. Party manifestoes and electioneering debates on these occasions indicate the development goals each party will like to pursue if voted to power. The goals of that party which actually gets voted to power then become the goals of the government, but not yet of the nation. To do so the government asks the planning commission to prepare a development plan for attaining those goals.

This plan is then presented to and approved by the National Development Council (NDC) with minor adjustments and alterations. The is comprised of the cabinet ministers of the central government, the chief ministers of the states and the members of the Planning Commission. The plan is supposed to reflect national consensus. Finally, when this plan is adopted by the Parliament, it becomes a national document and the development goals of the plan become national goals.

You have seen in section 11 the Indian development goals. These do not change every five years, or from plan to plan. Only the relative importance or priority among goals varies.

Check Your Progress 3

Note:
      i)   Use the space given below for your answer.

ii)   Check your answer with that given at the end of the unit

1)   For each item, determine whether the statement is true (T) or false (F).

i)   Objectives are set to be achieved but achieving them require time
ii)   None of the objectives of planning in India is time bound nor is it given in the form of
        a fixed or definite target.
iii)   Indian planning objectives are general statements of what the country desires and as
        such they have figured in every successive plan.
iv)   To the extent the objectives remain unfulfilled they will not continue to be the goals
        of future plan also.

2)   Complete the following. choosing the correct word/ words given in brackets:

i)   India is characterised by ---------------- (low/high) per capita income and a more---------------------- (equitable/ inequitable) distribution of income.

ii)   The problems of India stem from ------------- (over-population/under population)

iii)   There are ……………….(a number of/only two) pre-requisites for setting the objectives of development planning.

3)   Write five lines establishing the interrelationship between target, time-horizon and resources.

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4)   Discuss the importance of the political process in goal setting in about 80-100 words.

13.6   LET US SUM UP

Let us gather together what we learnt in this lesson. We began by noting that to give a precise definition of development acceptable to all was rather difficult. Growth, progress, modernisation are all aspects of development. We also saw how sustainable development depends upon environmental protection and ecological conservation. We listed out the goals of Indian development and discussed their relevance in the past and for the future. We then went into the analysis of conflict and complementarity among goals and of the relationship between a goal and its time-horizon. In doing so we saw the relationship between general development goals, time bound targets and resources. Finally, we saw what forces operate in determining the development goals of a nation and the political processes through which the development goals of our own nation are articulated.

In the next lesson we discuss the need for planned development.

13.7 KEY WORDS

At the Margin: The additional cost or benefits of a specific change in the current situation, i e., the difference between the existing situation and a proposed change, measured in terms of the last unit change.

Capital Goods: Goods produced for use in producing other goods over more than one production period

Capital Resources: Capital resources include durable machinery, buildings, roads, and other construction, in fact, any durable increase in productive capabilities created with labour and other resources.

Deforestation: Indiscriminate felling of trees for commercial purposes, large scale degradation of forests to meet the needs of fuel wood in the neighbourhood.

Economic Development: The process through which an economy achieves long-run economic growth: it involves capital formation, the development of markets, growth in productivity and the improvement of entrepreneurial ability and labour skills. It refers to economic growth and change in a direction desirable for the great majority of a nation.

Economic Growth: A sustained increase in the overall productive capacity of an economy over time Measurement of economic growth is usually done by the rate of growth of the Gross National Product (GNP). GNP is a measure of the economy's total output of goods and services.

Economic Planning: Systematic state intervention in the economy with the objective of improving coordination, effficiency and growth with social justice. Decisions regarding production are made by planning, which includes assessment of resources, formulation of a Plan for the most effective and balanced utilisation of the country's resources and fixing priorities.

Energy Resources: An essential input for economic development and for improving the quality of life. Such resources are usually divided into two groups: renewable and nonrenewable ones. Coal and lignite, oil and gas and uranium are the non-renewable. Important among renewable energy resources are fuel wood. agricultural wastes, animal and human wastes, solar and tidal energy.

Equitable Social Order: The way in which society's income or wealth should be divided among society's members. It refers to the fairness of the division when judged against an ethical standard.

Important Substitution: Import substitution refers to the development of domestic sources of supply of goods previously imported.

Income Distribution: A quantitative summary, of how society's total income (production is divided among the members of society.

Modernisation: A variety of structural and institutional changes in the framework of economic and cultural activity, consistent with unleashing the creative capabilities of human beings-individually as well as collectively. A shift in the sectoral composition of production, diversification of activities, advancement of technology and culture and institutional innovations have all been part of the drive to change a feudal and colonial economy into a modern and independent entity.

National Development Council (NDC): An apex institution for arriving at a consensus among the Union and the States on the various matters relating to planning and socioeconomic development it was set up in August, 1952 to strengthen and mobilise the efforts and resources of the nation in support of the Five Year Plan, to promote economic policies in all vital spheres and to ensure the balanced and rapid development of all part of the country. The Council is composed of the Prime Minister of India, the Chief Ministers of all States and the members of the Planning Commission, and it makes recommendations to the Central and State Governments.

Natural Resources: Anything that can be used as a productive input in its natural state such as farm land, building sites, forests, mineral deposits, biotic resources like fish, animals and plants, water resources, and climatic characteristics.

Planning Commission: An advisory body to make recommendations to the Union Cabinet. It acts in close understanding and consultation with the Ministries of the Central Government and the Governments of the States. The broad functions of the Planning Commission include assessment of material, capital and human resources; formulation of a plan for their most effective and balanced utilisation, determination of priorities and allocation of resources for completing each stage of the plan; determination of machine for securing successful implementation of the plan; appraisal of progress and recommending adjustments in policies and measures during the execution of the Plan, and making of interim and ancillary recommendations on current development policies, measures, etc.

Poverty Level of income: is the official figure used to determine whether or not a particular individual is poor.

Resources: Those material resources which are used to produce goods and services. These include land, minerals, energy, raw materials etc.; human labour knowledge and skill a human resources. Resources arc also called factors of production when they are brought into economic use by agents owning or controlling them .

Self-reliance: implies the ability to acquire all the goods and services that the country requires without being dependent on others for the resources needed to acquire them. Self-reliance implies the capacity to generate sufficient income to buy what the country needs. It allows for imports from rest of the world and emphasizes the existence of the required capacity to pay for them.

Self-sufficiency: implies the ability to produce all the goods and service that the country needs without being dependent on the rest of the world through trade. It refers to the capacity to produce all the goods the country needs and does not allow for imports.

Technology: in general, technology is a resource composed of all know-how, processes, inventions, and innovations that help us get more from scarce resources. Finer distinctions also can be made. Technology is knowledge of production methods which indicate how resources can be combined in productive ways. An improvement in technology implies that we produce more with a certain amount of inputs. Existing technology is the outcome of many inventions, some of which were the discovery of new resources-such as aluminum, radium, petroleum etc. Hybrid plants, electricity and synthetic chemicals and products like plastics are inventions of man-made new-resources. All inventions that increase the productivity of labour and capital can be thought of as improvements hi-technology. Innovation is the application of technology to the production of goods and services. Technology then is a resource that helps enhance the efficiency and productivity of other natural and human resources and may also throw up altogether new resources which are man-made.

13.8   SOME USEFUL BOOKS

Meier, Gerald M (1984), *Leading Issues in Economic Development*, 4th Ed., Chapter 1, (pp.5-19) New York, O.U.P.

Nafziger, E. Wayne (1984), *The Economics of Developing Countries*, Chapter 2, Belmont, Wadsworth.

Todaro, Michael P. (1987), *Economic Development in the Third World*, 3rd Ed. Chapter 3 (PP.84-91), New Delhi, Orient Longman Ltd.

13.9   ANSWERS AND/OR HINTS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress 1

1)   'c'
2)   'b"
3)   "c'
4)   "a"
5)   Technology, a high level of savings and investment and a sufficient quantity and quality of Labour.
6)   a) F, b) T, c)'T, d) T, e) T.
7)   See section 13.3 and write your answer.

Check Your Progress 2

1)   Rapid Economic Growth, Modernisation, Self-Reliance and Social Justice are the four major objectives of our plans.
2)   i)   does not;
        ii) requires;
        iii) dual;
        iv) includes;

3)   i)   T
        ii) T
        iii) F

iv) F

4)   Go through Sub-section 13.4 2 and frame your answer.

Check Your Progress 3

1   i)   T
        ii)   T
        iii) T
        iv)   F
2)   i)   low, inequitable
        ii)   overpopulation
        iii) low
        iv)   a number of

3)   Prepare Sub-section your answer on the basis of matter given in Sub- section 13
5.2.

4)   See Sub-secton 13.6.2 and try your answer.