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## Development paradigm–A conceptual exposition

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### Abstract

Development model represents a nation's commitment to translate its potential and efforts into programmes and actions to achieve speedy social and economic growth. To this end various models are adopted by nations depending on its specific socio-political considerations and growth ambitions. India's development plans post-independence has been largely demand driven and motivated by economic expediencies. Many flagship programmes initiated by the Government time to time, despite offering a 'Pan-Indian' panacea, serve to achieve only piece-meal solutions. Developmental retardation could be attributed to inadequacy in addressing poverty as a fundamental issue. This paper attempts to bring out a conceptual exposition of development paradigm and the various prominent models that are in use. A four pronged approach to eliminate poverty is also suggested.

**Keywords:** development model, economic growth, covert poverty, overt poverty

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### Introduction

Economic growth by itself is no guarantee for development although it is an essential pre-requisite to it. Often development is considered synonymous with growth. Yet it could be differentiated from growth. Development connotes a 'positive change' in 'desirable direction'. Changes contributing to the well being of the life of a population could be attributed as a direct reflection of the extent of development. Nations narrate development primarily using the customary growth indicators. In economic parlance it is expressed in the form of GDP (Gross Domestic Product), Per Capita Income and National Income. This notwithstanding, development is a "purposely and deliberately driven activity that accomplishes positive changes (prosperity) and distribute the benefit of growth to all segments of society". Development model represents a nation's commitment and efforts to translate its potential and efforts into programmes and actions to achieve speedy social and economic growth with distributive justice.

### India's Experience with Development

The Government post-Independence, has rolled out a plethora of measures in order to accomplish development. The first of this in a substantial way is the Five Year Plans. The very focus of the first Five Year Plan was to enhance food production keeping a major emphasis on agriculture. However not much has been accomplished until later the green revolution was launched. High yielding variety of seeds, chemical fertilizer, pesticides, modern means of irrigation etc has sky-rocketed the agricultural yield. The green revolution was a well-conceived strategy. But in the absence of a matching supply and distribution machinery, its impact on wiping out poverty remained a distant dream.

Nationalisation, a buzz word of the past became obsolete when public sector undertakings invariably plunged into phenomenal losses, and was replaced by an era of Privatization. Government started selling public undertakings. Except in vital sectors, private players were encouraged to participate in what were conventionally reserved areas such as Air traffic, Telecommunication etc. Following Economic Liberalization, major reforms in taxation was brought into place. Of late the introduction of GST has contributed to the streamlining of commercial taxes throughout the country resulting in quantum boost to the tax base. Consequently plenty of services also came under the tax cover. Cumulative effect of annual budgets competing with customary pay revision of state employees have resulted in the urban poor being caught in the grip of increased prices and cost of living. On the other hand the rural poor found agriculture an unrewarding occupation. Government soon realized that promotion of technology and mass production alone can bring down cost, convert luxury domestic appliances into essential utilities and thereby bring parity in the lives of the rich and poor as well as reduce dependence of foreign goods. As a result tax reliefs, Special Economic Zones (SEZ), promotion of incubation centres and start-ups etc were introduced to seduce industry. That industrialization is a solution to unemployment but in a limited way was realized gradually. Beyond a certain level of saturation, it fails to contain unemployment. However the adoption and upgrading of technology demonstrated that a same product could be produced in a much lesser time and cost through use of improved technology. But it lost consistency. Lately demonetization was launched as a major deterrent to curb black money and unaccounted wealth secured through unlawful sources and tax evasion. This aside, the plethora of flagship programmes launched by the government focusing on the development of rural population failed to touch the tip of the iceberg.

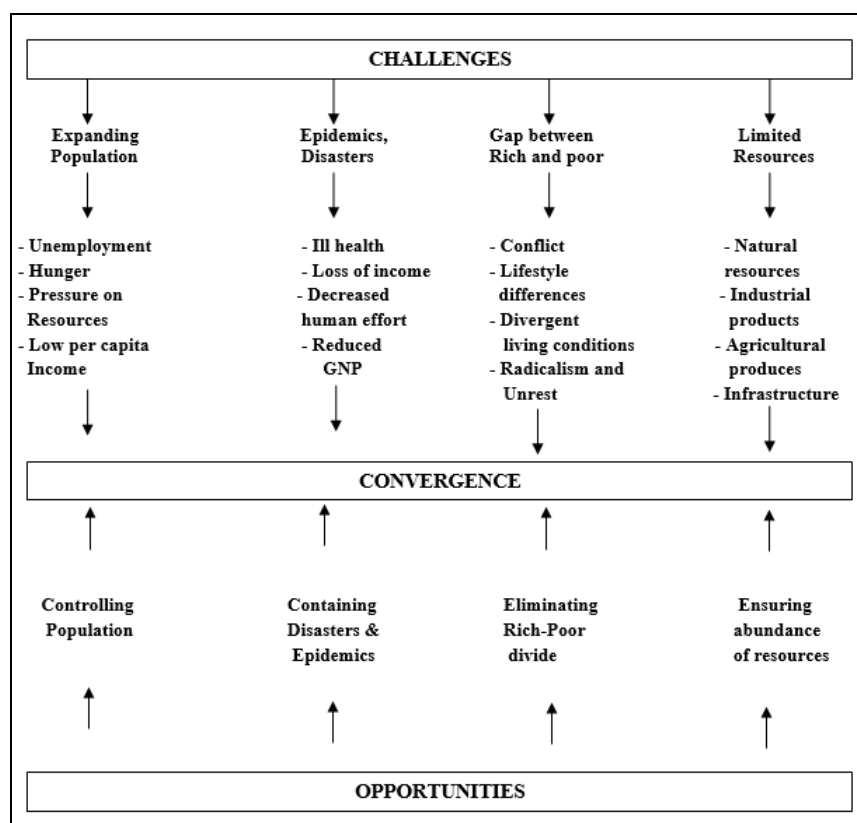
### Prominent development models

Governments, as a matter of practice, adopt and implement various development models to achieve economic stability and growth. Of these one of the dominant models namely Tax Funded model is mostly attributed to economies where government has lost control over production and thrive as a revenue generator. Balancing consistent revenue with matching expenditure, the Government can comfortably sit under the shade. The Subsidy model on the other hand supports all economic activities through financial incentives called as subsidy. A part of the expenditure on any activity, may it be agriculture, industry or service, will be borne by the government. This model is practiced in many under-developed countries to keep the wheel rolling. However in the long run subsidies will create dependence syndrome characterized by inertia. Different from both these is Subsistence model. For instance in certain nations tourism as a industry is the main stay of the economy. They promote tourism converting every inch of their landscape. Tourism generates cash flow vital to their existence as a back bone. This model is called Subsistence model. Interestingly, in real sense there is no development. All efforts are on augmenting more income. This is a typical example of Subsistence model. Urbanism model proposes fast expansion of urbanization (urban infra-structure) and Industrialization. Export orientation models aims at boosting exports and consequent financial gain for the development of economy. China for instance, has been using a combination of both these for faster development of its economy. Sectoral approach model envisages grater and faster development of certain key sectors which are identified to be vantage sectors. This is believed to be able to promote development of other sectors also.

**Table 1:** Development Models

| SL. No | Model                      | Focus                          | Advantage                | Disadvantage              |
|--------|----------------------------|--------------------------------|--------------------------|---------------------------|
| 1      | Tax funded Model           | Emphasis on Revenue            | Ensure consistent income | Burdensome for public     |
| 2      | Subsidy model              | Subsidies and concessions      | Assume supportive role   | Dependence syndrome       |
| 3      | Subsistence model          | Earnings for Subsistence       | Absence of challenges    | Dormancy                  |
| 4      | Sectoral development Model | Application of potential       | Selective but fast       | Build gaps                |
| 5      | Urbanism Model             | Industrialization and urbanism | Enhanced visibility      | Resources side-Channelled |
| 6      | Export orientation model   | Trade and export               | Commercial vibrancy      | Demands Combination       |

A classic example cited is the oil rich Middle East nations. The availability of natural resources has led to quick development of oil sector in the Middle East nations and this was soon followed by fast changes in other sectors also. Sectoral approach model in combination with Export orientation model we find largely in many countries of the world.



**Chart 1:** Four pronged approach to Eliminating Poverty

### **How to eliminate poverty**

Poverty is a condition of absolute deprivation of basic amenities that is required to lead a satisfying human life. It is used in plurality to denote a population without adequate food, housing or health and education. This is an overt expression of poverty. On the other hand, high degree of indebtedness, rampant unemployment, prevalence of social evils such as crime, prostitution, beggary etc. is covert manifestations of poverty. Covert poverty eats into the economic growth of the nation, whereas the former are reflections of the existence of poverty. In modern societies many economic ills such as exploitation, oppression, marginalization, migration and dehumanization are evils underlying at the root of poverty. In all organized societies the efforts of the state is to root out poverty. But this still remain to be accomplished. The four major giants namely ever increasing population, limited availability of resources, epidemics and disasters, and ever widening gap between rich and poor, work in a manner that hamper efforts to eliminate poverty. Indian experience of development, as in many other developing nations, suffered set back due to the inability to conquer these adversities at one go. A state of attaining convergence between the challenges and opportunities (as depicted in the chart presented here) can result in a kind of equilibrium resulting in conquering poverty.

### **Conclusion**

Development is the result of a planned change leading to progress. Progress would mean creation of wealth, equitable distribution and abundance of all what is necessary to satisfy human needs and wants. It assumes that poverty is kept out of door and all what are luxuries to make life satisfying are converted into affordable essentials. It means a condition of happiness and well-being where health and education is ensured, so too peace and prosperity. In pursuit of this, nations strive their best to gear their efforts through adopting development models and implementing it. The development paradigm as it is called here is a phenomenon consisting of composite of actions of choosing and using desired development models and a scrutiny of ways and means, and results accruing from it. Indian experience reiterates that development remains farfetched if poverty as a fundamental issue is not addressed.

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