
UNIT 8 DEVELOPMENTAL DISPARITIES: MARGINALISATION

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8.0 INTRODUCTION

You may recall that in Unit-4 of Block-1 of this course we have discussed the concept of development as well as the dimensions, factors and indicators of development, among other things. You may revisit Unit-4 for refreshing your memory which will be useful to you in better understanding of the developmental disparities we will be discussing in the present unit.

We know that the standard of living of some people is higher with their greater access to many facilities while many others are at relatively lower levels and do not have adequate access to the required facilities. Further, some others are below poverty line and do not have access to even the minimum basic resources and facilities. It is difficult for us to understand all these differences or disparities among the people if we do not know the indicators of development or disparities in it. We need to understand different aspects of developmental disparities and the significance of eliminating or reducing such disparities in the context of overall development or national development.

In Unit 8, we will be discussing different aspects of developmental disparities. We will highlight the concept, types, measures/indicators and causes of disparities including those leading to marginalization. We will also touch upon important measures required for eliminating or reducing these disparities and for inclusion of the marginalised into mainstream of development. In this context, we will also touch upon the role that extension education can play in promoting such inclusive development.

8.1 OBJECTIVES

After going through this unit, you should be able to:

- Explain the concept of disparities in the light of various approaches to the study of indicators of development;
- Describe various types of disparities and their relevance in the context of development;
- Discuss the causes of different disparities and analyse the effect of disparities on marginalization;

- Appreciate the significance of the measures required as well as undertaken to overcome them; and
- Explain the role of extension education in promoting inclusive growth.

8.2 APPROACHES TO STUDY OF INDICATORS OF DEVELOPMENT: MEANS OF KNOWING DISPARITIES

As you may recall, we have discussed in Unit 4 broad categories or types indicators of development including the problems associated with each type. In respect of using per capita GNP as a measure of development, the major objections are about its failure to include non-marketed (and therefore non-priced) subsistence production such as house-hold or house-makers' work and to incorporate welfare and income distribution considerations. As a result, there have been numerous efforts both to remedy its defects as a measure and to create other composite measure/indicator that could serve as compliment or alternative to this traditional measure. Basically, such indicators fall into two categories:

- i) indicators that seek to measure development in terms of interaction among social, economic and political factors, and
- ii) indicators that measure development in terms of quality of life.

We will have a brief overview of these indicators that serve as means to understand the disparities including marginalization.

8.2.1 UNRISD Approach

One of the major studies relating to the first category of indicators i.e. indicators that seek to measure development in terms of interaction among social, economic and political factors, was carried out by the United Nations Research Institute on Social Development (UNRISD) in 1970 (Mentioned in Ray, 1996). The study was concerned with the selection of the most appropriate indicators of development on the basis of an analysis of the relationship between these indicators at different levels of development. The result of the study was the construction of a composite social development index. Out of 73 indicators examined only 16 core indicators (9 social and 7 economic indicators) were selected for this index. The list of these 16 core indicators of socio-economic development is given below.

Table 8.1: UNRISD List of Core Indicators of Socio-economic Development

Sl. No.	Core Indicator
1.	Expectation of life at birth.
2.	Percentage of population in localities of 20,000 and over.
3.	Consumption of animal proteins per capita per day.
4.	Combined primary and secondary enrolment.
5.	Vocational enrolment ratio.
6.	Average number of persons per room.

7.	Newspaper circulation per 1000 population.
8.	Percentage of economically active population with electricity, gas, water, etc.
9	Agricultural production per male agricultural worker.
10.	Percentage of adult male labour in agriculture.
11.	Electricity consumption, Kw per capita.
12.	Steel consumption, Kg per capita.
13.	Energy consumption — Kg of coal equivalent per capita.
14.	Percentage GDP derived from manufacturing.
15.	Foreign trade per capita in US dollars.
16.	Percentage of the salaried and wage earners to total economically active population.

8.2.2 Adelman and Morris Approach

Another study that sought to measure development in terms of interaction among social, economic and political factors was made by Adleman and Morris (1967, mentioned in Supe, 1987). This study classifies 74 developing countries based on 40 variables. These variables include the following.

Table 8.2: Social, Political and Economic Variables – Adelman and Morris

Sl.No.	Variable
1.	Size of the traditional agricultural sector.
2.	Extent of dualism.
3.	Extent of urbanization.
4.	Character of basic social organization.
5.	Importance of indigenous middle class.
6.	Extent of social mobility.
7.	Extent of literacy.
8.	Extent of mass communication.
9.	Degree of cultural and ethnic homogeneity.
10.	Degree of social tension.
11	Crude fertility rate.
12.	Degree of modernization of outlook.
13.	Degree of national integration and sense of national unity.
14.	Extent of centralization of political power.
15.	Strength of democratic institutions.
16.	Degree of freedom of political opposition and press.
17.	Degree of competitiveness of political parties.
18	Predominant basis of the political party system.

19.	Strength of the labour movement.
20.	Political strength of the traditional elite.
21.	Political strength of the military.
22.	Degree of administrative efficiency.
23.	Extent of leadership commitment to economic development.
24.	Extent of political stability.
25.	Per capita GNP in 1961.
26.	Rate of growth of real per capita GNP: 1950-51 – 1963-64.
27.	Abundance of natural resources.
28.	Gross investment rate.
29.	Level of modernisation of industry.
30.	Change in degree of industrialisation since 1950.
31.	Character of agricultural organization.
32.	Level of modernization of techniques in agriculture.
33.	Degree of improvement in agricultural productivity since 1950.
34.	Level of adequacy of physical overhead capital.
35.	Degree of improvement in physical overhead capital since 1950.
36.	Level of effectiyeness of the tax system.
37.	Degree of improvement in the tax system since 1950.
38.	Degree of improvement in human resources.
39.	Level of effectiveness of financial institutions.
40.	Structure of foreign trade.

Source: Irma Adelman and Cynthia Taft Morris. 1967. *Society, Politics and Economic Development*. Baltimore: John Hopkins University Press.

The above variables are based on factor analysis. This technique was used for examining the interdependence between social and political variables and the level of economic development. The authors of this study found numerous correlations between certain key variables and economic development.

However, the two approaches discussed above are not free from criticism. The major criticism is that these studies seek to measure development in terms of structural change rather than in terms of human welfare.

8.2.3 Physical Quality of Life Index (PQLI)

To meet the criticisms of two approaches discussed above, Morris (Mentioned in University Grants Commission, 1988) has developed another criterion known as Physical Quality of Life Index (PQLI). Three indicators viz. life expectancy, infant-mortality and literacy have been used to form a simple composite index. For each indicator, the performance of individual country is rated on a scale of 1 to 100, where 1 represents the “worst” performance and 100 as the “best” performance for a country. For life expectancy, the upper limit of 100 was assigned

to 77 years (achieved in Sweden in 1973) and lower limit of 50 was assigned to 28 years (the life expectancy of Guinea Bissau in 1950). Within these limits, each country's life expectancy falling between these limits of 77 and 28 is assigned the rating of 50. For infant mortality, the upper limit was set at 9 per 1000 (achieved by Sweden in 1973) and lower limit at 229 per 1000 (achieved by Taiwan, 1950). Literacy rates measured as percentages from 1 to 100 provide their own direct scale. Once country's performance in life expectancy, infant mortality and literacy have been rated on the scale of 1 to 100, the composite index (PQLI) for the country is calculated by averaging the three ratings, giving equal weightage to each of them.

Demerits: The major weakness of PQLI is that it fails to incorporate other social and psychological factors like security, justice, human rights, etc. A more serious criticism of this measure is that it assigns equal weight to each of the indicators used in forming the index while measures such as life expectancy and infant mortality do not reflect the similar phenomena.

8.2.4 Human Development Index

The economic measures of development have often been supplemented by non-economic social indicators like gains in literacy, schooling, health conditions and services, etc. In this regard the notable and latest attempt to analyse the comparative socio-economic development has been undertaken by United Nations Development Programme (UNDP) in its annual series of Human Development Reports. These reports which were initiated in 1990 have focused on the construction and refinement of Human Development Index (HDI). HDI ranks all the countries within the range of "0" (lowest HDI) and "1" (highest HDI) and is based on three goals of development: i) Longevity, measured by life expectancy at birth, ii) Knowledge, measured by adult literacy (two-third) and schooling (one-third), and iii) Standard of living, measured by real per capita income.

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under "Answers to 'Check Your Progress' Questions".

- 1) What are the approaches to the study of indicators of development that serve as means to understand the developmental disparities?

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8.3 DEVELOPMENTAL DISPARITIES: CONCEPT AND SIGNIFICANCE

Different approaches to the study of the indicators of development discussed above will help us in understanding the broad nature of disparities in development. Let us look at these disparities below.

8.3.1 Concept of Disparity

Disparity means the condition or fact of being unequal, as in age, rank, or degree (<http://www.thefreedictionary.com/disparity>). For instance:

- Age disparity – being young, middle-aged, old, etc.
- Rank disparity – being a chaprasi, clerk, an officer, etc.
- Degree of disparity — being poor, average, excellent (as in the condition of a car), or developed, developing, underdeveloped (as in the status of development of a country), etc.

Similarly, it is not justifiable to evaluate the performance of different cadres in an organization, with the same yardstick, as their levels of understanding, their levels of intelligence, their knowledge base, the nature of their work, etc., differ from each other. An officer's performance would be judged on the basis of certain yardsticks which would be different from those of a clerk, or a chaprasi. Countries may be new and old, but they are at different levels of development. Some countries like the U.S.A., Norway, and Sweden are at a much higher stage of development compared to countries such as Bangladesh, Nepal or some African countries. Comparisons between such countries may not be justifiable. So, if disparity between the status of various countries exist, they cannot be compared in terms of their levels of development (<http://www.egyankosh.ac.in/bitstream/123456789/34921/1/Unit1.pdf>).

Disparity and development are like two sides of a coin. Disparity in development creates bottlenecks to further development. The less the disparity, the greater will be the chances of development; and, the greater the disparity, the less will be the chances that development takes place. Countries such as the U.S.A., Norway, and Sweden have fewer disparities in terms of per capita income, per capita consumption and the availability of resources for the rich and the poor, compared to the countries like India, Bangladesh, and Nepal, where disparities are higher between the rich and the poor (Ibid).

8.3.2 Significance of Disparities: Marginalisation of the Deprived

Rapid and sustained economic growth is a modern phenomenon. This 'phenomenon' made its appearance in the eighteenth century with the advent of the industrial revolution in England. Broadly, there are *three aspects* of the process of modern international growth:

- i) Economic growth has remained confined to small portion of the world population;
- ii) The gap between the developed and underdeveloped countries has increased over the years; and

iii) There is wide spread poverty of disparity among the underdeveloped countries as well.

Modern economic growth has remained confined to a limited part of the world and a large number of the third world countries even now find themselves caught in what economists call 'low level of equilibrium trap'. Though this concrete fact throws considerable light on existing economic disparities, yet it fails to prove the hypothesis that international inequalities have increased over time. To answer the question whether the differentials in per capita income have increased over the last century or not, one requires estimates of per capita product for most countries in the world. Such data are available only for some developed countries. In case of other presently developed countries in the world, such data are available only for some of these countries. For the remaining developed countries, estimates of per capita product are available for too short a period. In respect of most underdeveloped countries data are not at all adequate for making any generalization for the whole underdeveloped world. They, however, suggest that per capita income was either constant or recorded only marginal increase. Surendra J. Patel who has attempted to analyse increasing economic disparities, clearly points out the problems one faces in such an exercise due to paucity of data. Conscious of the limitations of the data he himself feels that his own conclusions are at best tentative. According to the estimates of Patel, around 1850, the average per capita income in the presently developed countries was roughly 70 per cent higher than in the less developed countries which could be characterised as pre-industrial (Ministry of Health and Family Welfare, 2007). By 2004, however, the income disparities between nations had come to such level that the developed countries had grown to a level of 63 times as high as that of the low income underdeveloped economies. The problem is perhaps much more serious than what is revealed from these average levels of per capita incomes; since in some of the richest countries the levels are as high as eighty times of those in the poorest countries. Income disparities measured in terms of purchasing power parity (PPP) are also quite large.

There is some more evidence to indicate the great disparities that existed between the developed and underdeveloped nations in 2004. According to data provided by the World Bank, the developed countries having 15.8 per cent of the world population had accounted for about 80.0 per cent of the world output in the year 2004. Underdeveloped countries in contrast, had 84.2 per cent of the world population but their gross output was only about 20.0 per cent of the gross world output. Whatever information that is available for the recent decades leads us to the conclusion that economic gaps between the rich and the poor nations have steadily increased and in the near future there is no hope that they will be reduced. Thus, the composition of output in developed and underdeveloped countries is substantially different as brought out by the fact that the relatively backward third world countries (the so-called low income economies) account for a mere 3.1 per cent of the world's industrial output. This single fact eloquently reveals the gap that now exists between developed and underdeveloped countries. Further, in spite of the fact that the primary occupation in underdeveloped countries is agriculture, their position in terms of agricultural production is not at all very comfortable. They presently account for about half of the world agricultural production. This sorry state of affairs is particularly due to the persistence of outmoded techniques of production in this sector of their economies. In terms of capital stock and rate of capital accumulation wide disparities exist at the

international level. Underdeveloped countries presently account for less than one-sixth of the world capital stock; since their rate of capital accumulation is also lower than that in developed countries, the disparity between them and the industrialized countries is going to increase over the years, both in absolute and relative terms.

If the disparities between the countries widen beyond proportion, the deprived will get pushed to the margins of developmental process as their participation in the process of development becomes minimal or insignificant and thus get only fringe benefits of the overall development processes. Such phenomenon is true not only in the case of countries as a whole, but also in the case of communities, groups and the individuals in these countries.

With the above understanding of the concept and significance of disparities we will now focus on different types of disparities.

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under "Answers to 'Check Your Progress' Questions".

2) Briefly explain the concept and significance of disparities.

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8.4 TYPES OF DISPARITIES

Broadly speaking, we can identify the following main types of disparities.

- i) Global disparities – Inter-regional and inter-country disparities
- ii) National disparities or Disparities in India
 - Inter-state and intra-state disparities
 - Rural-urban disparities
 - Religious and caste disparities
 - Gender disparities.

The gender disparities, of course, cut across all the other types of disparities, and hence, here it is not discussed as a separate sub-section.

8.4.1 Global Disparities: Inter-regional and Inter-country Disparities

Each country is at a different level of development, thus exist disparities among the countries. Global disparity describes the disparities that exist between and among the nations. For example, socio-economic disparity exists at the global level, and that is why countries are classified into two categories: developed and underdeveloped. There are countries which are in between these two categories which are referred to as developing countries. Some countries have been endowed with abundant resources, while there are countries that are extremely poor in resources. Resources are of various types: material resources, manpower resources, natural resources, and financial resources. Differences in the availability and utilization of these resources, by and large, cause disparity among the countries, and put them at different levels of development (<http://www.egyankosh.ac.in/bitstream/123456789/34921/1/Unit1.pdf>).

Table 8.3 shows the level of global socio-economic disparity that exists between different categories of countries in terms of key parameters such as the per capita income, life expectancy and adult literacy levels.

Table 8.3: Socio-economic indicators of low, middle and high income categories of countries

Category of countries	Socio-economic Indicators Reflecting Global Disparity			
	Gross Domestic Product per Capita in US \$ (2006)	Life Expectancy at birth in years (2006)		Adult Literacy Percentage, 15 years and above (2006)
		Male	Female	
i) Low Income	510	56	59	61
ii) Middle income	3764	67	71	83
• Lower income	1658	63	67	71
• Upper income	5884	70	75	93
iii) High income	38658	77	83	98

Sources: *Human Development Report, UNDP, 2008* and *State of the World Children, UNICEF 2008*.

It is quite evident from Table 8.3 that the global disparities exist in different categories or groups in respect of important indicators. If we observe the per capita income, we find that there is lot of disparity among the various groups which accounts to \$510 for low income economies, \$3,764 for middle income economies, \$1,658 for lower middle economies, \$5,884 for upper middle economies whereas it was \$38,658 in the case of high income economies. The disparity in the life expectancy at birth in case of both males and females is more than 20 years between low income economies and high income economies. There is a marked difference in adult literacy rate which was 61 per cent for low income economies where as it was 98 per cent in the case of high income economies.

Table 8.4 shows the level of global socio-economic disparity that exists between a group of developed countries and a group of underdeveloped/developing countries in terms of key parameters such as per capita income, human poverty index, life expectancy, infant mortality and adult literacy.

Table 8.4: Socio-economic Indicators of a Few Countries – Two Groups

Countries	Socio-economic Indicators Reflecting Global Disparity (2006)				
	Gross Domestic Product Per Capita in US \$ (2006)	Human Poverty Index (2006)	Life Expectancy at birth in years (2006)	Infant Mortality Rate (2006)	Adult Literacy Percentage, 15 years and above (2006)
Group A					
Bangladesh	1,155	36.9	63.5	52	52.5
India	2,489	28.5	64.1	57	65.2
Nepal	999	33.3	63.0	46	55.2
Pakistan	2,361	33.6	64.9	78	54.2
Sri Lanka	3,896	16.9	71.9	11	90.8
Group B					
Japan	31,951	-	82.4	3	-
Norway	51,862	-	79.9	3	-
Sweden	34,059	-	80.7	3	-
UK	32,654	-	79.2	5	-
USA	43,968	-	78.0	6	-

Sources: Human Development Report 2008 (UNDP, 2008), & State of the World Children 2009 (UNICEF, 2008). (See <http://www.egyankosh.ac.in/bitstream/123456789/34921/1/Unit1.pdf>).

From Table 8.5 also we can notice the global disparities, which are in respect of some selected demographic, social and economic indicators.

Table 8.5: Some Selected Demographic, Social and Economic Indicators

World and regional data	Total population (millions) (2010)	Projected population (millions) (2050)	Ave. pop. growth rate (%) (2005-2010)	% urban (2010)	Urban growth rate (2005-2010)	Total fertility rate (2010)	% births with skilled attendants	Under-5 mortality M/F estimates (2005-2010)
World Total	6,908.7	9,150.0	1.2	50	1.9	2.52	66	71 / 71
<i>More developed regions</i>	1,237.2	1,275.2	0.3	75	0.7	1.65	99	8 / 7
<i>Less developed regions</i>	5,671.5	7,946.0	1.4	45	2.4	2.67	62	78 / 78
<i>Least developed countries</i>	854.7	1,672.4	2.3	29	4.0	4.23	38	138 / 126
Africa	1,033.0	1,998.5	2.3	40	3.4	4.45	49	142 / 130
Arab States	359.4	598.2	2.1	56	2.5	3.20	73	58 / 51
Asia	4,166.7	5,231.5	1.1	42	2.3	2.30	65	56 / 61
Europe	732.8	691.0	0.1	73	0.4	1.52	99	10 / 10
Latin America & Caribbean	588.6	729.2	1.1	80	1.6	2.17	90	31 / 24
Northern America	351.7	448.5	1.0	82	1.3	2.02	99	7 / 7
Oceania	35.8	51.3	1.3	70	1.3	2.42	77	31 / 30

Source: UNFPA. State of World Population 2010, p.105, See http://www.unfpa.org/swp/2010/web/en/pdf/ENSOWP10_DemSocialEcon.pdf.

Expected pace of global advancement warrants equitable development, which in turn requires elimination or optimal reduction of disparities among the nations. Disparities combine both economic and socio-political aspects and are linked to the lack of resources and institutional weaknesses. In inequality analysis one should keep in mind that economic disparity is the mother of all other disparities. The institutional and management aspects are products of initial economic disparity, subsequently instigated many-fold by the lack of strong democratic governance. The remedial measures therefore logically should involve both economic and governance initiatives simultaneously. Under the current disparity context, both in the global and the national arenas, good governance initiatives should encompass economic aspects and vice versa (Zahurul Alam, 2011, See <http://www.thedailystar.net/newDesign/news-details.php?nid=190096>).

The consequential socio-political and socio-economic disparities foster marginalisation of population, countries, economies and societies leading to their increased vulnerability and insecurity. The resources allocated for improving their security are misused, resulting in greater vulnerability and insecurity of those and additional segments of the global population (Ibid).

The global disparities expressed in terms of income inequalities among the countries continue to show upward slope. The Human Development Report 2005 of UNDP found only 9 countries accounting for 4% of the world's population with reduced gap; the reverse was true for 80% of the world's population. The richest 50 individuals in the world had in 2005 a combined income greater than that of the poorest 416 million. The poorest 40% of the world's population currently accounts for only 5% of the global income, while the richest 20% accounts for 75% of it (Ibid)

The 2010 UNHDR shows that the highest per capita GNI recorded in Lichtenstein is 460 times greater than that in Zimbabwe. The average per capita GNI in the Very High Human Development Countries (VHHDC) in 2010 was 27 times more than that in the Least Developed Countries (LDC). Disparities between the two groups of countries in adult literacy rate, life expectancy at birth, HDI values and other related indicators continue to be grossly disproportionate in favour of the former (Ibid).

Eleven developed countries recorded an average per capita GNI of more than \$40,000 in 2010. The figure is less than \$4,000 for 62 developing countries, while for 15 of them it is less than \$1,000. The average per capita GNI in the very high human development countries exceeds that in the LDCs by 26.72 times. Currently, of the 6.3 billion people of the world, almost 1.4 billion earn less than \$1.25 per day, while 3 billion live on a daily income of less than \$2.5 a day. More than 80% of the world's population lives on less than \$10 a day. These are the people living in the developing countries. On the other hand, in 11 highest per capita GNI countries per capita daily income ranges between \$110 and \$222. The difference is enormous — 100 to 200 times! In India, 42% of the population earn less than \$1.25 per day, while in Bangladesh the figure is more than 51 million (32% of the population). In Tanzania, Liberia and Burundi, 88.5, 83.7 and 81.3% of the people earn less than \$1.25 per day (Ibid).

Ill-effects of colonialism and subsequent lack of good governance in the developing countries have contributed to reduced capacity, participation and

opportunities of the people to utilise available resources in a manner that would ensure required pace of development. Emergence of authoritarian regimes following the retreat of direct colonialism has prevented people's participation in the decision-making and development process, which has prompted widespread corruption and accumulation of resources in the hands of small sections of the privileged power capturers. Lion's share of the national wealth thus remained unutilised or under-utilised, leading to increased income inequality in countries where 80% of the world's population lives. Income disparity has increased poverty, harmed democratic governance and human rights, and has prompted internal conflicts and socio-economic and political disorder in most developing countries, leaving those vulnerable to political, social and environmental impediments (Ibid).

Global priorities in spending show, at a glance, the existing disparities between the rich and the poor and the developed and developing economies. At the end of the last century, spending in cosmetics in the US amounted to \$8 billion, compared to \$6 billion in basic education in the developing countries. The Europeans spent \$166 billion for buying ice-cream, cigarettes and alcoholic drinks against \$9 billion by the people of the developing countries for water and sanitation for all. In the US and Europe spending in perfumes and pet foods amounted in 1998 to \$29 billion compared to \$12 billion in the developing countries in reproductive health for all women. Businessmen in Japan alone invested \$35 billion for business entertainment (Ibid).

In developed countries, the world military spending and that in narcotics drugs amounted to \$400 billion and \$780 billion respectively, while the developing countries could spend only \$13 billion on basic health and nutrition. While reduction of the world's military expenditure alone by only 1% could ensure primary education to all children in all countries, the lack of intention to do that by the respective countries and regimes, invariably by the developed countries, has compelled nearly one-sixth of the world's population to remain illiterate. This has created a huge unskilled labour market in the developing countries, leading to their economic stagnation and socio-political backwardness (Ibid).

The disparity is not only between nations. Distressing inequality prevails between the rich and the poor within the majority of the countries. In countries where more than 90% of the people earn less than \$2 a day, there are evidences of enormous concentration of wealth in the hands of a very limited number of affluent people and families. In Brazil and South Africa, more than 64% of the national wealth is concentrated in the hands of 20% of the population. In some of the poorest countries, such as Kenya, Senegal and Madagascar, where 22.8%, 17% and 49.1%, respectively of the population earn less than a dollar per day, the richest 20% controls over 50% of the national wealth (Ibid).

The current trade regime and globalisation have not impacted positively on the developing economies. Developing countries continue to experience economic hardship and social disadvantages. During the '90s, 54 developing countries experienced negative growth rates. The situation remained unchanged or even became worse despite imposition of more and more tools in international relations. At the end of the last century, the developing countries accounted for less than 22% of the global GDP, although 85% of the world's population lived in those countries. The success stories in some countries remain as isolated incidents that do not reflect the general trend (Ibid).

8.4.2 Disparities in India

In this sub-section, we focus our discussion on the disparities in India.

8.4.2.1 Inter-state Disparities

Like disparities between and among the countries, there exist disparities between and among the states within a country and more so in any developing country. Here, we will examine some inter-state disparities in India.

Table 8.6 presents data on 14 States/UTs with seven of them having the percentage of people living below the poverty line which is below that of the national average and States/UTs having it above that of the national average. The first seven States/UTs have poverty figure of less than 15 per cent and seven other States/UTs with their poverty figures of more than 30 per cent. The table reflects the wide inter-state disparity in poverty ratios.

Table 8.6: Inter-state Disparity in terms of Percentage of People Living below the Poverty Line

Sl. No.	State/UT	Percentage of People below the Poverty Line (2004-05)
I. State/UT with less than 15 percentage population below the poverty line		
1.	Haryana	14.0
2.	Himachal Pradesh	10.0
3.	Jammu and Kashmir	5.4
4.	Mizoram	12.6
5.	Punjab	8.4
6.	Chandigarh	7.1
7.	Daman & Diu	10.5
	All India	27.5
II. State/UT with percentage of below poverty line population above the national average		
8.	Bihar	41.4
9.	Chhathisgarh	40.9
10.	Jharkhand	40.3
11.	Madhya Pradesh	38.3
12.	Orissa	46.4
13.	Uttarakhand	39.6
14.	Dadra & Nagar Haveli	33.2

Source: Planning Commission, Government of India (Website: <http://www.planningcommission.nic.net>) Also see <http://www.egyankosh.ac.in/bitstream/123456789/34921/1/Unit1.pdf>.

Further, from Table 8.7 we can notice vivid inter-state disparities even in terms of the Gross State Domestic Product (GSDP) of different States in India in 2004-05. It indicates wide difference in per capita income of various States and Union Territories. Among them, Bihar has the lowest per capita income of Rs.7,486

whereas it is highest (Rs.80,392) in the case of Goa, followed by Maharashtra (Rs.37,235), Himachal Pradesh (Rs.36,785), Punjab (Rs.36,376) and Haryana (Rs.35,893).

Table 8.7: Per Capita GSDP of States

State	Per Capita GSDP 2004-05 (in Rupees)
Non-Special Category	
Andhra Pradesh	26655
Bihar	7486
Chhattisgarh	20336
Goa	80392
Gujarat	34223
Haryana	35893
Jharkhand	19908
Karnataka	28774
Kerala	32818
Madhya Pradesh	16597
Maharashtra	37235
Orissa	18440
Punjab	36376
Rajasthan	18909
Tamil Nadu	31603
Uttar Pradesh	13842
West Bengal	23145
Special Category States	
Arunachal Pradesh	23326
Assam	18172
Himachal Pradesh	36785
Jammu and Kashmir	22430
Manipur	22457
Meghalaya	24978
Mizoram	27663
Nagaland	22021
Sikkim	28332
Triupura	26693
Uttaranchal (now Uttarakhand)	25276

Source: http://planningcommission.nic.in/plans/planrel/fiveyr/11th/11_v1/11th_vol1.pdf.

Table 8.8: Inter-state Disparity in terms of Percentage of Literates (Census 2001)

Sl.No.	State/UT	Percentage of literates
I. State/UT with Literacy Percentage above all India Literacy Rate		
1.	New Delhi	81.67
2.	Goa	82.01
3.	Kerala	90.86
4.	Lakshadweep	86.66
5.	Mizoram	88.80
6.	Puducherry	81.24
	All India	64.84
II. State with Literacy Percentage below all India Literacy Rate		
7.	Arunachal Pradesh	54.34
8.	Bihar	47.00
9.	Jammu & Kashmir	55.52
10.	Jharkhand	53.56
11.	Rajasthan	60.41
12.	Uttar Pradesh	56.27

Source: Government of India. 2008. *Economic Survey 2007-08*. New Delhi: Ministry of Finance.

Table 8.8 presents data on the literacy rates for 12 states, showing disparities among them — six states with their literacy rates above the national average literacy rate and six states having their literacy rates below the national average literacy rate. It shows that there is acute inter-state disparity in terms of literacy rates, with the first group of six states having literacy rate above national average of 64.84 per cent (ranging from 81.2 per cent to 90.9 per cent) compared to the second group of six states having the literacy rates (ranging from 47.0 per cent to 60.4 per cent), which are below the national average. Such disparities existed in previous censuses as well, but with some changes in the positions of States/UTs constituting such groups above and below the national average.

In order to reduce such disparities the Government of India laid special emphasis on particular group of states having low literacy rates for empowered action to improve the situation. The comparative position of these states in terms of their literacy rates in 2001 and 2011 and the relevant disparities is given in Table 8.9.

Table 8.9: Effective Literacy Trends in Eight Empowered Action Group (EAG) States (2001-2011)

Rank	India/State/ Union Territories	No. of Literates and Literacy Rate in 2011		No. of Literates and Literacy Rate in 2001		Absolute increase in the No. of Literates 2001-2011	Percentage increase in the number of literates and Literacy Rate (2001-2011)	
		Number	Rate	Number	Rate		Number	Rate
	INDIA	77,84,54,120	74.04	56,07,53,179	64.83	21,77,00,941	38.82	9.2
1.	Bihar	5,43,90,254	63.82	3,11,09,577	47.00	2,32,80,677	74.8	16.82
2.	Jharkhand	1,87,53,660	67.63	1,17,77,201	53.56	69,76,459	59.24	14.07
3.	Uttar Pradesh	11,84,23,805	69.72	7,57,19,284	56.27	4,27,04,521	56.40	13.45
4.	Rajasthan	3,89,70,500	67.06	2,77,02,010	60.41	1,12,68,490	40.68	6.65
5.	Chhattisgarh	1,55,98,314	71.04	1,11,73,149	64.66	44,25,165	39.6	6.38
6.	Madhya Pradesh	4,38,27,193	70.63	3,15,92,563	63.74	1,22,34,630	38.73	6.89
7.	Uttarakhand	69,97,433	79.63	51,05,782	71.62	18,91,651	37.05	8.01
8.	Orissa	2,71,12,376	73.45	1,98,37,055	63.08	72,75,321	36.68	10.37

Source: <http://www.educationforallindia.com/chapter6-state-of-literacy-2011-census.pdf>.

The other States and Union Territories showing substantial percentage increase in number of literates are Dadra and Nagar Haveli (119.46), Daman & Diu (75.63 per cent) Arunachal Pradesh (62.95 per cent), Meghalaya (56.99 per cent) and Jammu & Kashmir (50.71 per cent) (<http://www.educationforallindia.com/chapter6-state-of-literacy-2011-census.pdf>).

Inter-State Variations: One important feature of the growth experienced in the Eleventh Plan, which is relevant for inclusiveness is that high rates of economic growth have been more broadly shared than ever before across the States. While most States have shown sustained high rates of growth, several of the economically weaker States have also demonstrated an improvement in their growth rates. Amongst them are: Bihar, Orissa, Assam, Rajasthan, Chhattisgarh, Madhya Pradesh, Uttarakhand and Uttar Pradesh. According to available data, no State has average GSDP growth of less than 6 per cent during the Eleventh Plan period. While the economically weaker states are catching up in growth rates, there is growing concern about the backwardness of individual districts, several of them located in States that are otherwise doing well. Many of these districts are also affected by Left-wing Extremism. The Backward Regions Grant Fund and various other regional initiatives have been specially designed to address this problem (<http://indiamicrofinance.com/wp-content/uploads/2011/09/12th-Plan-India-draft-approach.pdf>).

8.4.2.2 Rural-Urban Disparities

Rural-urban disparity has been prevalent in India for ages. Rural areas are considered to be backward areas in terms of availability of basic infrastructure — roads, electricity, water and sanitation facilities, schools and hospitals, etc. In contrast, urban areas are in better position in terms of such facilities. It is because of inadequacy and poor quality of such facilities in rural areas they lag behind urban areas.

In addition, the basic indicators of development such as the level of poverty, illiteracy, unemployment, etc also show us glaring disparities between rural and urban areas. Table 8.10 throws light on some obvious rural-urban disparities in the country.

Table 8.10: Rural-Urban Disparities based on Selected Socio-Economic Indicators

Sl.No.	Indicators	Rural Area	Urban Area
1.	Percentage of People below the poverty line	28.3	25.3
2.	Percentage of literates	53.0	74.0
3.	Percentage of regular wage-employers	7.0	41.0
4.	Average earnings per day in Rs.	48.63	62.64
5.	Percentage of Self-employed	59.5	43.0
6.	Unemployment rates* (Usual status**)	23.0	53.0

Note:* No. of persons (or person days) unemployed per 1000 persons (or person days)

****** Usual status means unemployed on an average in the reference year.

Source: Planning Commission, Government of India. See <http://www.planningcommission.nic.in>.

National Sample Survey Organization, 60th Round (2004-05).

National Sample Survey Organization, 61st Round (2005-06).

Table 8.10 shows that both poverty and illiteracy are higher in rural areas compared to urban areas. The percentage of regular wage employers is also low in rural areas vis-a-vis the urban areas. There is marked difference in terms of the average earnings per day in rural areas as compared to urban areas. It is for this reason that more people in rural areas are self-employed (59.5 per cent in rural areas compared to 43 per cent in urban areas). The higher degree of self-employment also results in low unemployment rates in rural areas (23.0 per cent) compared to those in urban areas (53.0 per cent).

Table 8.11 presents the situation of slums in million plus population cities in India, a situation which is in contrast to rural areas in many respects.

8.11: Total and Slum Population of Million Plus Cities in India — Census 2001

Million Plus Popu. cities	Total Popn. (in '000)	Slum Popn. (in '000)	% of Slum to Total Popn.	Sex Ratio in Non-Slum areas	Sex Ratio in Slum areas
Greater Mumbai	11,978	6,475	54.06	859	770
Delhi M.Corp.	9,879	1,851	18.74	836	780
Kolkata	4,573	1,485	32.48	841	805
Banglore *	4,301	431	10.02	915	947
Chennai *	4,344	820	18.88	953	974
Ahmedabad	3,637	474	13.46	891	850
Hyderabad *	3,520	627	17.23	930	938
Kanpur	2,551	368	14.42	857	857
Pune	2,538	492	19.39	920	928
Surat	2,433	508	20.89	794	701
All India	73,346	17,697	24.13	874	820

* Million Cities of South India

Source: <http://www.indiaonlinepages.com/population/slum-population-in-india.html>.

8.4.2.3 Inter-religious Disparities

Inter-religious disparities are age-old phenomena. Censuses were conducted in parts of India in the ancient times with examples such as Kautilya's *Arthashastra* which describes the collection of population statistics for taxation in 4th century B. C. The British census in 1865- 1872 was the first conducted in modern times in India. The 2001 census figures released by the Indian Census Commission give a breakdown by various parameters including religion (<http://hetv.org/india/index.html>).

Table 8.12: Demographic and Socio-economic Disparities in India in 2005: Religion-wise

Parameter	Religion						
	Hindus	Muslims	Christians	Sikhs	Buddhists	Jains	Others
% total of population 2005	80.5	13.4	2.3	1.9	0.8	0.4	0.6
10-Yr Growth % (est '91-'01)	20.3	29.5	22.6	18.2	24.5	26	103.1
Sex ratio* (avg. 944)	935	940	1009	895	955	940	100
Literacy rate (avg. 79.9)	75.5	60.0	90.3	70.4	73.0	95.0	50.0
Work Participation Rate	40.4	31.3	39.7	37.7	40.6	32.9	48.4
Rural sex ratio	944	953	1001	895	958	937	995
Urban sex ratio	922	907	1026	886	944	941	966
Child sex ratio (0-6 yrs)	925	950	964	786	942	870	976

- Notes:**
1. All figures in %.
 2. Gender Ratio*: no of females/1000 males.
 3. *Others* including Bahá'ís, Jews, and Parsis.
 4. Tribal Animists (and non-religious) are grouped under Others after 1926 (1931 Census onwards).

Source: The First Report on Religion: Census of India 2001

- a. The data excludes Mao-Maram, Paomata and Purul sub-divisions of Senapati District of Manipur.
- a. The data is "unadjusted" (without excluding Assam and Jammu and Kashmir); 1981 census was not conducted in Assam and 1991 census was not conducted in Jammu and Kashmir. (See <http://hetv.org/india/index.html>).

It may also be noted specially that about 40% of the Hindus speak Hindi while the rest speak Bengali, Telugu, Marathi, Tamil, Gujarati, Kannada and other languages. Almost 70% of the Muslims speak Urdu while the rest speak Kashmiri, Bengali, Malayalam, Tamil, Gujarati and other languages. About one-third of the Christians speak Malayalam, one-sixth speak Tamil while the rest speak a variety of languages.

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under "Answers to 'Check Your Progress' Questions".

3) What are the broad types of disparity?

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4) Describe in brief the global disparities.

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8.5 CAUSES OF DISPARITY

In this section, we will discuss the causes of various types of disparities. The root causes of disparities can be broadly discussed under the following sub-sections.

8.5.1 Failures of Economic Growth

Failures of economic growth can be attributed to the inability of many countries to reduce inequalities in income distribution which finally results in poverty, hunger, etc. For example, during 1990s growth in annual per capita income in the East Asia and the Pacific region was 6.4 per cent and this region recorded a

14.9 per cent reduction in poverty. South Asia recorded an annual per capita income growth of 3.3 per cent and this was accompanied by 8.4 per cent reduction in poverty. On the other hand, the regions of Central and Eastern Europe and the Commonwealth of Independent States (CIS) faced a decline of 1.9 per cent annum in per capita income and this was accompanied by a 13.5 per cent increase in poverty in the 1990s. In sub-Saharan Africa, per capita income fell by 0.4 per cent per annum in 1990s and this was accompanied by a 1.6 per cent increase in poverty. According to Human Development Report, 2003 (Planning Commission, 2007), at constant inequality levels, a country needs to grow by 3 per cent or more a year to double incomes in a generation – say, from \$1 to \$2. Yet, out of 155 countries only 30 countries had annual per capita income growth rates of about 3 per cent in the 1990s. Among the rest, 54 countries saw average income fall, and in 71 countries annual income growth was less than 3 per cent. As a result of this dismal growth performance, more than 1.2 billion people are presently struggling to survive on less than \$1 a day.

8.5.2 Inequalities in Land Ownership

Land is critical for rural people and for the three-quarter of the world's poor who depend on agriculture for their income or livelihood. About a quarter of the rural people in developing countries are landless or do not have adequate security of tenure or title. Inequalities in land ownership across regions and countries galore. For instance, in Latin America, 1.3 per cent of the large landowners hold 71.6 per cent of the entire area of land under cultivation. In India, top 10 per cent of the rural households possess 56.23 per cent of the agricultural land while the bottom 70 per cent owns only 13.83 per cent land. This concentrated ownership of land is the major cause of poverty and income inequalities in the rural sector. The economic power which the large land owners enjoy has helped them in gaining political ascendancy and they have been successful in diverting the benefits of all rural development efforts initiated by the governments in their favour. Thus, while they have prospered, the rural poor languished. In fact, as noted by the World Development Report, the landless are among the poorest in developing countries (Government of India, 2007).

8.5.3 Private Ownership of Industries, Trade and Buildings

Most of the developing countries are mixed capitalist economies which permit private ownership of industries, trade and buildings. Hence, a microscopic minority has acquired control over vast assets. Industries and business houses easily obtain capital from bank and other financial institutions, besides equity capital which they raise from the market. This is the reason why even in the period of recession their assets continue to increase. Control measures initiated by the governments (like the licensing policy and physical controls) are not only defective but also little attention is paid to their proper implementation. Traders, transporters and urban property owners are the other classes which have taken full benefit of the limited growth that has taken place in these economies. Most of these persons are men of average intelligence, and yet their incomes are very high because they have control over the means of production. In contrast, many intelligent and enterprising persons never get any opportunity in their lifetime and hence live on moderate earnings merely because their only asset is their labour power. Workers employed in the unorganized sectors and the unemployed persons belonging to the lower strata of the society generally constitute the class of the poor in the urban areas.

8.5.4 Inequalities in Professional Training

Incomes of business executives, engineers, physicians, lawyers and other professionals are often high and from this fact the false understanding that income inequalities arise from professional competence or lack of it. On superficial consideration, this may look convincing, but the truth is otherwise. In a class society as it prevails in most of the developing countries, training required for professional competence is not available to all. Only children belonging to elite families have access to higher and professional education. Sons and daughters of agricultural labourers, industrial workers and socially handicapped groups like tribals and Harijans cannot hope to get this education.

8.5.5 Rapid Price Rise and Adverse Terms of Trade

Changes in relative prices and terms of trade affect poverty levels and income inequalities strongly. This phenomenon can be expressed in terms of the entitlements approach of A. K. Sen. Extremes of poverty or famine of many do depend not only on low income levels, but also of their vulnerable position in entitlement system: "the entitlement failures may be due to declines in ownership (for example cattle dying), declines in exchange entitlement, that is the terms at which someone can exchange his commodity bundle for the one he wishes to acquire (for example, food). To understand famines one should therefore concentrate on entitlements rather than aggregate food availability" (Government of India, 2007a). The Bengal famine of 1943, for instance, was caused not just by aggregate food shortage but was also due to war-time inflation with rapid increase in prices. Due to this inflation, the purchasing power of landless workers was eroded by almost two-thirds in a very short span of time. Sen also cites the example of 1972 famine in Ethiopia, where many farmers faced crop failures and cattle death. To be able to buy food they tried to sell parts of their assets like land and cattle. However, since many of them tried to do this at the same time, the prices of the assets fell drastically. Therefore, the ability of farmers to purchase food was very adversely affected. Even today, inflation affects the income of the poor adversely as their real purchasing power declines considerably while money wages increase at a snail's pace or do not increase at all. On the other hand, big industrialists, traders and large farmers (who contribute a major chunk of the marketed surplus of food grains) benefit a great deal from inflation as their incomes increase continuously. As a result, income inequalities between the rich and the poor classes widen considerably. Most of the developing countries are experiencing this phenomenon as heavy doses of deficit financing resorted to by them have created severe inflationary pressures in their economies.

8.5.6 Poor Availability of Credit Facilities

In developing countries, operations of the price system further accentuate the already existing inequalities which arose from unequal distribution of wealth and income. Persons having access to the formal capital markets are able to obtain finance on very favourable terms, whereas persons relying on the informal market have to pay a heavy price for credit. For instance, while medium and large farmers easily obtain loans from banks and cooperatives on account of their creditworthiness, the vast mass of agricultural labourers, and small and marginal farmers continue to depend heavily on the village money-lenders who charge an exorbitant rate of interest and also exploit the poor people in a number of ways. As noted by the Human Development Report 1997, credit and savings

help families through crisis – drought, recession, illness – without having to resort to measures such as selling off their assets or taking children out of school. However, only 2-5 per cent of the 500 million poorest households in the world have access to institutional credit.

8.5.7 Urban Bias in Private Investment

While 70 to 80 per cent of the population of the developing countries lives in rural areas, about 80 per cent of private investment goes to industries in urban areas. Therefore, there is a distinct ‘urban bias’ in favour of urban areas in the private investment. This urban bias takes the form of highly mechanised projects in which the share of wages in value addition is relatively low (Banerjee and Marjit, 2005). Therefore, as noted by Keith Griffin, “the rate of employment creation in the capital-intensive sector is slow, sometimes not even as fast as the rate of growth of the labour force” (UNICEF, 2009).

8.5.8 Role of the Government

Though the state is often proclaimed as a ‘precursor’ and ‘initiator’ of economic change in the developing countries, the fact is that the state investment essentially plays a supportive role in private investment (especially the large and capital-intensive enterprises). This is due to the fact that the state depends for its support on the same social forces which own the wealth of the country and supply the technicians, administrators and the dominant political groups. In such an environment, the governments merely guard the status quo and adopts policies which, on balance, are designed to perpetuate the hegemony of the propertied classes and those allied to them. Even the public housing helps the relatively better off people more than they help the wretched poor belonging to the lowest income groups.

8.5.9 Conflicts and Displaced Persons

Civil wars, guerilla wars, separatist movements and ethnic violence in many developing countries have displaced a number of people from their homes and have also led to many barbaric crimes and deaths of innocent people. In 1995 there were 46 million displaced people – one in every 120 people in the world – who had been forced to flee from home. Of these 46 million displaced persons, as many as 40 million were in developing countries. As noted by HDR 1997, conflict in poor countries block or handicap poverty eradication efforts. Quite apart from the direct impact of widespread destruction, conflicts divert important resources from development.

In addition to those affected by warfare, many poor people fall victim to the supposedly “peaceful” alternatives – economic sanctions. However, it is generally found that while the politically connected and wealthy people are able to avoid much of the impact of such economic sanctions, it is the poor people who suffer most. HDR 1997 gives the examples of Haiti and Iraq in this context. In Haiti, during sanctions, drinking water supplies were cut by half. The price of staple foods increased five-fold and the proportion of malnourished children rose from 5 per cent to 23 per cent. In Iraq, under sanctions, life expectancy fell from 65 years in 1990 to 57 years in 1994.

8.6.2 Measures to Reduce Inequalities/Disparities in Developing Countries

The important measures to implement the above strategy and reduce poverty and income inequalities in the developing countries are as follows (World Development Report 2000/2001 mentioned in UNICEF, 2009).

8.6.2.1 Rising Productivity of Small-scale Agriculture

Around 70 to 80 per cent of poor people in most developing countries depend on agriculture for their livelihoods, either as small-holders or as labourers. Growth in small-holder agricultural productivity was a major factor in poverty reduction in China in 1975-85, in Indonesia and Malaysia in 1970-80 and in Japan, the Republic of Korea and Taiwan in the 1950s and 1960s. This shows that policies to raise the productivity of small-scale agriculture in developing countries can play an instrumental role in alleviating poverty and in reducing income inequalities. Efforts can be made in this direction by providing improved technologies to the farmers, supported adequately by public programmes to make available agricultural inputs at cheaper rates, better social services, improved infrastructural facilities and agricultural research. As noted by the Human Development Report 1997, improving the productivity of small-scale agriculture does more benefit to the farmers. It also creates employment on-the-farm and off and reduces food prices. The poor benefit most because around 70 per cent of their consumption is food, mostly staples; and regular supplies and stable prices create food security for them.

8.6.2.2 Land Reforms and Redistribution of Land

As noted earlier, the basic cause of income inequalities in the rural sector of the developing countries is the extreme inequalities in land ownership. Since a majority of the population lives in rural areas, we can regard inequalities in land ownership as the basic cause of income inequalities in the developing countries. Therefore, extensive land reforms and land redistribution measures can help in reducing income inequalities significantly. This view has been corroborated by some studies as well.

8.6.2.3 Programmes for Increasing Employment Opportunities

The measures adopted for increasing employment opportunities in the developing countries fall under two broad categories:

- i) Measures for general employment, and
- ii) Measures for specific employment to the trained and skilled personnel.

In the former category, the measures generally include a variety of measures to increase wage employment. In order to increase wage employment, the governments act on two fronts — to raise the volume of investment, and to improve investment-income ratio as far as possible. In the second category, the measures include those aimed at providing assistance for self-employment. These include provision of training to those who wish to set up their own small-scale industries or businesses; provision of financial assistance on easy terms to such persons and supply of raw material at subsidized rates; provision of marketing facilities, etc. As is clear, both types of measures are meant to eliminate unemployment mainly in urban areas. Further, to encourage rural employment in particular, the governments provide credit, marketing facilities and agricultural inputs to the farmers for this purpose. A number of large overpopulated countries

in fact face the problem of disguised unemployment. The governments of these countries have introduced large-scale programmes of industrialization with the hope that they would enable the surplus labour in agriculture to move to the industrial sector.

8.6.2.4 Strengthening and Enhancing Production of Small-scale and Informal Sectors

The developing countries should recognize the valuable contributions of the informal sector to employment and take actions that encourage it to expand. In this approach, improving the productivity and working conditions of small-scale producers and microenterprises will be the key. According to the Human Development Report, 1996 (mentioned in Human Development Report, 2003): “intervention must build on the entrepreneurial vitality of the informal sector to ensure quick results in improving living conditions and employment opportunities. Such interventions should create an enabling environment for informal sector growth through deregulation, assistance to microenterprises and access to raw materials, markets and technology”. Ensuring availability of institutional credit at low cost is also necessary as such credit is a critical factor in the success of the small-scale and informal sectors.

8.6.2.5 Emphasising Labour-intensive Industrialisation

Growth strategies on labour-intensive activities such as textiles, clothing, electronics and intensifying small-scale agriculture will enable the developing nations to achieve high growth, full-employment and rising wages. It means emphasizing labour-intensive industrialization is the key to expanding employment opportunities in developing countries.

8.6.2.6 Programmes for Upliftment of the Rural Poor

As a result of the conviction that indirect measures can be effective only marginally in eradicating poverty and reducing income inequalities in the rural sector, many developing countries have attempted a direct assault on poverty. For instance, for the purpose of uplifting the rural poor the Government of India has introduced a number of programmes aimed at creating employment opportunities and helping them. Some of them include: Small Farmers Development Agency (SFDA), Marginal Farmers and Agricultural Labourers Development Agency (MFAL), the National Rural Employment Programme (NREP), Rural Landless Employment Guarantee Programme (RLEGP), the Integrated Rural Development Programme (IRDP), Jawahar Rozgar Yojana (JRY), Swarna Jayanthi Shahari Rozgar Yojana (SJSRY), Prime Minister’s Rozgar Yojana (PMRY), National Rural Employment Guarantee Scheme, etc.

8.6.2.7 Progressive Tax Policy

The governments of the developing countries can use tax policy to reduce income inequalities. For instance, a high element of progressivity in the direct taxes can be introduced with the object of taxing the richer sections at a much higher rate than the poorer sections. Two suggestions made in the World Development Report, 2006 for raising tax revenues in developing countries are noteworthy: i) levying of more property taxes as they account for only a small share of taxes in these countries; and ii) levying of inheritance taxes. Justifying the later, the Report says that predetermined circumstances should not affect a person’s life chances (heirs have not earned the wealth they have inherited) (World Bank, 2006).

8.6.2.8 Sustained Investment in People to Enhance Human Capabilities

High-employment economies have generally invested in the development of human capabilities particularly education, health and skills. They have also constantly upgraded technical skills to enable workers to adopt to rapidly changing international conditions. However, this requires not only formal education but also skill-training targeted at productivity increase, training workers at the workplace so that they can master the ever-changing technology and continuously enhancing their creative abilities and productivity, and substantially raising expenditure on Research and Development (R & D). Better health and nutrition also contributes to reducing poverty and enhancing productivity. Governments in developing countries are aware of this and many of them are trying to provide health facilities to the poor and to improve their nutritional status.

8.6.2.9 Subsidising Goods and Services

Public Distribution System can be used as an instrument for effecting redistribution of income if it is used to supply essential commodities to the poorer sections only at lower prices while the rest of the population is left to buy them in the open market. This would indeed be a 'partial' distribution system but is advisable on account of the following reasons:

- i) It imposes less administrative strains on the already over-burdened bureaucratic system,
- ii) It serves the purpose of redistributing income in favour of the poor since its benefits occur exclusively to them, and
- iii) It ensures production incentives to the farmers because only a part of the marketable surplus is procured at lower prices for the public distribution system while the rest of the produce can be sold by the farmers at the market prices set by the high purchasing power of the comparatively richer sections of the population. This would prevent the diversion of resources away from the production of essential commodities under consideration.

8.6.2.10 Providing Infrastructure

World Development Report 2006 (World Bank, 2005) quotes a study by Leipziger and others (2003), based on a sample of 73 countries which found that 10 per cent improvement in a country's infrastructure index is associated with 5 per cent reduction in child mortality, a 3.5 per cent reduction in infant mortality and a 7.8 per cent reduction in maternal mortality. Improving rural transport infrastructure can reduce transaction costs, expand access to markets and improve rural incomes. Investments in basic water and energy infrastructure can improve gender equity. This is due to the reason that around the world, the burden of gathering and transporting fuel wood and water traditionally falls on women and girls.

8.6.2.11 Social Security System

All the measures discussed so far cannot benefit the aged and the infirm in developing countries whose number is constantly increasing. This is partly due to increasing life expectancy in the developing countries and partly due to the weakening of traditional family and community-based social security arrangements (for instance, the break-up of joint family system in India). In most

of the developed countries, coverage of the social security system for such people is almost universal. Benefits are provided to the elderly people, the disabled people, the surviving spouses and the children through the system of social insurance (such as pension) and social assistance (for instance, health facilities). Therefore, policy measures are urgently called for to cover these people. It is necessary to provide preventive and basic health care to all the elderly and the infirm poor and this could be supplemented by cash or in kind transfer when necessary.

8.6.2.12 People's Participation in Development

It is very important that people's participation is ensured at all stages of development, and at all levels — from the top to the grassroots level. When people are participating in the development process, it is in their interest to ensure that all sections of the society benefit equally from the process. If only a small section of the population benefits from the development process, it means that over a period of time disparity would crop up. In villages, where discrimination on the basis of caste, class and gender is extremely pronounced, the Panchayat Raj system can play a major role through people's involvement in the development process.

8.6.2.13 Promoting Accountability

It is also important to ensure that people are made accountable for the non-functioning, mal-functioning of the systems within the government. This can be done if people are involved at every stage of development, right from the stage of planning a programme, to its execution, monitoring and evaluation. It is important for the people to realise that the programmes are meant for people and that they need to involve in their execution and monitoring. The concept of ownership of a programme or a scheme should vest with the people, and only then would they feel concerned and accountable. If a road, for example, is in a bad shape, making life difficult for commuters, it is the people, the road users themselves, who need to be accountable. That is why we have good roads and bad roads in the same city, causing disparity in the availability of services. Good roads are for those road users who are willing to take the onus of accountability and bad roads are for those road users who are not willing to be accountable.

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under "Answers to 'Check Your Progress' Questions".

6) What are the three strategic ways of attacking poverty?

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Table 8.13: Chronology of the Backward Areas Development Programme

Plan	Name of the Programme	Year of Starting
Fourth Plan (1969-74)	Industrially backward areas	1970
	North-East	1972
	Drought-Prone Areas	1973
Fifth Plan (1974-79)	Tribal Areas	1974
	Hill Area Development including the Western Ghats	1974
	Desert Development	1977
Seventh Plan (1985-90)	Border Area Development	1987
Tenth Plan (2002-07)	Rashtriya Sam Vikas Yojana	2002-03
Eleventh Plan (2007-12)	Backward Region Grant Fund	2005-06

Source: <http://www.egyankosh.ac.in/bitstream/123456789/34921/1/Unit1.pdf>.

The Planning Commission of India implements the area programmes such as the Hill Area Development Programme, including the Western Ghats, the Border Area Development, the North-East and the Desert Development Programmes. Tribal Development Programme is with the Ministry of Tribal Affairs. The Drought Prone Area Programme (DPAP) is the responsibility of the Ministry of Rural Development. The Desert Development Programme is now the dual responsibility of the Planning Commission and Ministry of Rural Development. The Ministry of Industry is assigned the responsibility of the Industrially Backward Area Development Programme. Schemes proposed for an Annual Plan of 11th Plan included the following (<http://www.egyankosh.ac.in/bitstream/123456789/34921/1/Unit1.pdf>).

- i) **Accelerated Development of Western Ghats:** The Western Ghats Development Programme (WGDP) targeting the states of Karnataka, Kerala, Maharashtra and Tamil Nadu has got two key components, namely, improving natural resources management and improving the access to tribal hamlets through footbridges. The management of natural resources will be carried out in a participatory mode with the involvement of Village Panchayats and NGOs with appropriate support from Research & Development institutions. The main focus of the WGDP has been the integrated development of watersheds keeping in view the overriding priorities of eco-restoration and eco-preservation. In addition to the projects on natural resource management, the schemes for livelihood support system and productive system management are also included.
- ii) **Special Area Development:** The objective of the scheme of special area development, comprising the states of Jammu & Kashmir, Himachal Pradesh, Sikkim, Manipur, Meghalaya, Nagaland, Tripura, Arunachal Pradesh and Mizoram, is to develop the coastal regions of the country in an integrated manner. In order to prepare an action plan for the coastal areas, it is necessary to bring the resources and services of the departments like fisheries, harbor, engineering, ports, health, education, and civil society organisations as well

as of local governments together, so that convergence happens. The projects will be implemented with the support of local governments, Government of India, National Coastal Development Centre, financial institutions and state governments.

- iii) **Backward Region Grant Fund (BRGF):** The Backward Region Grant Fund is a new initiative of the Government of India. It primarily covers the states of Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura. The scheme was launched by the Planning Commission in 2005-06 by merging it with the Rashtriya Sam Vikas Yojana, which was initiated in 2002-03 in Mizoram. The scheme is monitored by the state level steering committee chaired by the Vice-Chairman, State Planning Board and at the district level, the District Collectors are coordinating the project.

Programmes for development of the North-Eastern Region: In order to implement programmes for development of the North Eastern region, and to reduce inter-state disparity, a Ministry of Development of North-Eastern Region (DONER) was set up in September 2001, to act as the nodal department of the Central Government to deal with matters pertaining to the socio-economic development of the eight States of North-East, i.e. Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and Sikkim.

8.7.2 Measures to Overcome Rural-Urban Disparity

Some of the important measures undertaken by India which are aimed at reducing rural-urban disparities include the following.

- Integrated Rural Development Programme (IRDP) and allied programmes.
- Indira Awaas Yojana (IAY).
- The Swarnjayanti Gram Swarajgar Yojana (SGSY).
- Sampurna Grameen Rozgar Yojana (SGRY).
- National Rural Employment Guarantee Programme (NREGP)/Mahatma Gandhi National Rural Employment Guarantee Programme (MNREGS).

Some other important programmes: In addition to the above programmes, there are many programmes that aim at reducing the disparities. All the central Government sponsored programmes for rural development are of four types:

- i) Wage employment programmes like Jawahar Rozgar Yojana (JRY), Employment Guarantee Scheme (EGS), Employment Assurance Scheme (EAS).
- ii) Development of Women and Children in Rural Areas (DWACRA), Training of Rural Youth for Self-Employment (TRYSEM), Nehru Rozgar Yojana, Prime Minister's Rozgar Yojana.
- iii) Non-employment and/or environment-oriented programmes such as Drought Prone Area Programme (DPAP), Integrated Child Development Scheme (ICDS) and Panchayat Development, Desert Development Programme (DDP), Wastelands Programmes, etc.

- iv) Basic Needs programmes like elementary education, adult education, rural water supply, rural sanitation, etc.

All these programmes independently and collectively focus on reducing rural-urban inequalities within and across the states.

8.7.3 Measures to Overcome Inter-caste/community Disparity

Some of the important measures aimed at reducing inter-caste/community disparities are as follows.

- i) **Integrated Child Development Services (ICDS):** Initiated in 1975, ICDS is one of the largest child intervention programme in the world with a holistic package for children below six years of age, and for pregnant and nursing mothers. These services are: health checkup, immunization, referral services, supplementary feeding, pre-school education, and health and nutrition through one platform i.e. Anganwadi Centre. Starting with a modest 33 blocks/projects, it has gradually expanded to 6,118 projects of which 5,659 projects with 7,48,229 Anganwadi Centres were operational by March 31, 2006. ICDS covers 562 lakh beneficiaries consisting of 467 lakh children below 6 years of age and 95 lakh pregnant and lactating mothers. The Rajiv Gandhi National Creche Scheme for children of working mothers was launched on January 1, 2006 and is being implemented by the Central Social Welfare Board and two other national level country organizations, namely Indian Council for Child Welfare and the Bharatiya Adimjati Sevak Sangh.

- ii) **Welfare and Development of Backward Classes and other Weaker Sections:** Backward and weaker sections include many groups of population cutting across different castes and efforts to reduce disparities with reference to these sections are briefly as follows.

- **Scheduled Castes:** Scheduled Castes constituting 16.23 per cent of the total population of the country (2001 census), suffer on account of severe socio-economic deprivation arising out of poor asset base, dependence on wage labour, subsistence level of farming, engagement in scavenging and unclean occupations and related social evils. By way of special interventions, four schemes are being implemented to encourage SC students for continuing their education from school to higher levels. National level finance and development corporations provide credit facilities to the beneficiaries who are living below double the poverty line. A new scheme of self-employment for Rehabilitation of Scavengers assisted those scavengers who were waiting for rehabilitation and yet to be assisted, in a time-bound manner by March 2009. To abolish the practices of un-touchability and curb the high incidence of crimes and atrocities against SCs, efforts are made for effective implementation of the Protection of Civil Rights (PCR) Act, 1955 and the Scheduled Castes and the Scheduled Tribes (Prevention of Atrocities) Act, 1989, with the help of 22 Special Courts under the Protection of Civil Rights (PCR) Act, 1955, and also 137 special courts under the Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act, 1989.

- **Scheduled Tribes:** According to the 2001 census, STs accounted for 84.32 million, equivalent to 8.2 per cent of the country's total population. Compared to the rest of the society, STs continue to be socio-economically backward. The focus is on family-oriented income-generating schemes, creation of critical infrastructure, extending financial assistance to SHGs for community-based activities, and development of primitive tribal groups and forest villages. Grant-in-aid under Article 275(1) is also being provided to the states with an objective to promote the welfare of the STs and improve administration in the states to bring them at par with the rest of the states, and to take up such special welfare and development programmes which are otherwise not included in the Plan programmes. Under the flagship scheme of Post-metric Scholarships, all eligible ST students are provided with stipend to pursue their education beyond metric including professional and graduate and post-graduate courses in recognized institutions. A new scheme of Rajiv Gandhi National Fellowship for ST students to pursue higher education was launched during 2005-06 and has been entrusted to UGC for implementation. Economic empowerment of STs continued through extension of financial support to the National Scheduled Tribes and Finance Development Corporation (NSTFDC) and the Tribal Cooperative Marketing Federation of India Limited (TRIFED). Under the scheme of NSTFDC, financial support is being extended to STs beneficiaries/entrepreneurs in the form of term-loans and micro-credit at concessional rate of interest for income generating activities. The TRIFED purchases products from STs, thereby strengthening their economic status.
- **Minorities:** Muslims, Christians, Sikhs, Buddhists and Parsis were declared as Minority Communities vide Gazette Notification issued on October 23, 1993 by the Union Government. As per the 2001 census, these five notified minority communities constitute 18.42 per cent of the country's population. The main factor responsible for socio-economic backwardness of the minority communities, particularly the Muslim community, is the lack of access to the common school system. This is particularly true in the case of Muslim girls. In the financial year 2006-07, the corpus of the Maulana Azad Education Foundation which provides financial assistance to implement educational schemes for the benefit of the educationally backward minorities has been enhanced to Rs.200 crore from Rs.100 crore. Some important recommendations relate to measures which should be undertaken for high quality education, specifically for school education of Muslim girls, promoting and enhancing access to Muslims in priority sector advances, imparting training to the minorities for entrepreneurial development, participation of minorities in micro-credit schemes, and introducing Centrally Sponsored Schemes (CSS) and Central Plan Schemes (CPS) for minorities. In addition, provision of basic amenities, good quality government schools and health facilities, pucca approach roads, and general improvement in living conditions (supply of electricity/housing/clean drinking water and sanitation) at all villages/towns/habitations will serve the overall interest of all communities.

- **Other backward classes (OBCs):** Government provides central assistance to state governments/UT administration for educational development of Other Backward Classes. For construction of hostels for OBC boys and girls, the state governments/UT administrations/NGOs have been provided financial assistance. National Backward Classes Finance and Development Corporation extend credit facilities to persons living below double the poverty line for undertaking various income-generating activities.

iii) Sarva Siksha Abhiyan (SSA): This is the programme aimed at providing educational opportunity to all the children including those deprived of schooling. The goals of SSA are to:

- a) Enroll all children of 6-14 age in School/EGS (Education Guarantee Scheme) Centre/bridge course by 2005.
- b) Bridge all gender and social category gaps at primary stage by 2007 and at elementary education level by 2010.
- c) Universal enrolment and retention by 2010.
- d) Focus on elementary education of satisfactory quality with emphasis on education for life.

8.7.4 Measures to Overcome Gender Disparity

Some of the important measures aimed at reducing gender disparities are as follows (<http://www.egyankosh.ac.in/bitstream/123456789/34921/1/Unit1.pdf>).

Special Initiatives for Empowerment of Women: Government of India has taken special initiatives during the 9th and 10th Five Year Plans for empowerment of women. Recognising the fact that women have been socialized only to take a back seat in public life, affirmative action through deliberate strategies have been initiated to provide equal access to and control over factors contributing to such empowerment, particularly in the areas of health, education, information, life-long learning for self development, vocational skills, employment and income-generating opportunities, land and other forms of property including through inheritance, common property resources, credit, technology and markets, etc. To this effect, the newly elected women members and the women Chairpersons of Panchayats and the Local Bodies will be sensitized through the recently launched special training package to take the lead in ensuring that adequate funds/benefits flow towards the empowerment of women and the girl-child.

The Kishori Shakti Yojana (KSY) and Nutrition Programme for Adolescent Girls (NPAG): These two schemes are being implemented for the development of adolescent girls using the existing infrastructure of the Integrated Child Development Scheme (ICDS). KSY promotes self-development, nutrition and health status, literacy, numerical and vocational skills among girls in the 11-18 years age group. A new unified National Programme on Adolescent Girls, replacing the existing KSY and NPAG was launched by the Government of India.

Mid-Day Meal (MDM) Scheme: The Mid-Day Meal is the world's largest school feeding programme reaching out to about 12 crore children in over 12.65 lakh schools/EGS centres/Alternative and Innovation Education (AIE) Centres across the country (<http://education.nic.in/elementary/mdm/index.htm>). The scheme is being implemented by all States/UTs. MDM scheme has helped in promoting school participation, preventing classroom hunger, instilling educational values and fostering social and gender equity.

The National Program for Education of Girls at the Elementary Level (NPEGEL): The NPEGEL, under the Sarva Shiksha Abhiyan (Education for All), provides additional components for education of girls from underprivileged/disadvantaged sections of society, It is being implemented in Educationally Backward Blocks (EBS) where the level of rural female literacy is less than the national average and the gender gap is above the national average, as well as in blocks that have at least 5 per cent SC/ST population and where SC/ST female literacy is below 10 per cent.

Kasturba Gandhi Balika Vidyalaya (KGBV) Scheme: KGBV is a scheme launched in July 2004 for setting up residential schools at upper primary level for girls belonging predominantly to the SC, ST, OBC and minority communities. It is being implemented in educationally backward blocks of the country where female rural literacy is below that of national average and gender gap in literacy is above that of national average. The scheme provides for a minimum reservation of 75 per cent of the enrolment for girls from SC, ST, OBC or minority communities. For the remaining 25 per cent, priority is accorded to girls from families below poverty line.

The National Plan of Action for the Girl-Child: The National Plan of Action for the Girl-Child has been merged into the National Plan of Action for Children, 2005, which includes goals, objectives and strategies for the girl-child. The emphasis is on creating an enabling environment, increasing choices and promoting development through special opportunities. Equal rights in succession and inheritance, addressing persistent gender stereotyping and strengthening girls: self-esteem are important strategies. Besides ensuring equal opportunity for free and compulsory elementary education to all girls, it specifically seeks prohibition of sex-selective female foeticide and infanticide, elimination of child marriages, security and protection from abuse, exploitation, victimization and all other forms of violence, deprivation and neglect in the home, community and in access to services.

8.7.5 Major Comprehensive Drive to Reduce Disparities: Inclusive Growth

The Eleventh Plan gave a special impetus to several programmes aimed at building rural and urban infrastructure and providing basic services, with the objective of increasing inclusiveness and reducing poverty. Some of these programmes were new, while others represented augmenting the existing initiatives. Thirteen such flagship programmes are listed in Table below (<http://indiamicrofinance.com/wp-content/uploads/2011/09/12th-Plan-India-draft-approach.pdf>).

Table 8.14: Flagship Development Programmes (Unit: Rs.Crore)

Sl. No.	Programme	Ministry/ Department	2007-08 Actual Expenditure	2011-12 BE	Total XIth Plan
1.	MGNREGA	Rural Development	12,661	40,000	156,301
2.	Indira Awas Yojana (IAY)	Rural Development	3,886	10,000	41,486
3.	National Social Assistance Programme (NSAP)	Rural Development	3,104	6,158	23,536
4.	Pradhan Mantri Gram Sadak Yojana (PMGSY)	Rural Development	6,500	20,000	65,002
5.	National Rural Health Mission (NRHM)	Health & Family Welfare	10,509	18,115	69,214
6.	ICDS	Women & Child Development	5,832	10,380	38,980
7.	Mid-Day Meal (MDM)	School Education & Literacy	5,832	10,380	38,602
8.	Sarva Siksha Abhiyan (SSA)	School Education & Literacy	11,477	21,000	77,576
9.	JNNURM	Urban Development	5,508	13,700	48,485
10.	Accelerated Irrigation Benefit Programme (AIBP) and Other water resources programme	Water Resources	5,446	12,650	46,622
11.	Rajiv Gandhi Gramin Vidyutikaran Yojana (RGGVY)	Power	3,913	6,000	25,913
12.	Rajiv Gandhi Drinking Water Mission (Rural Drinking Water) – NRDWP and Total Sanitation Campaign (TSC)	Drinking Water Supply	7,320	11,000	46,722
13.	Rashtriya Krishi Vikas Yojana	Agriculture & Cooperation	1,200	7,811	18,550
Grand Total			81,217	186,539	691,976

Source: Planning Commission. 2011. *Draft – Faster, Sustainable and More Inclusive Growth: An Approach to the 12th Five Year Plan*. See <http://indiamicrofinance.com/wp-content/uploads/2011/09/12th-Plan-India-draft-approach.pdf>.

Most of these are Centrally-sponsored Schemes/programmes, which are implemented by State Government agencies, but are largely funded by the Central Government with a defined State Government share. The total expenditure on these schemes by the Central Government in 2011/12 (budget estimate) is Rs.188,573 crore, and the total expenditure during the Eleventh Plan period is

almost Rs.700,000 crore. As one would expect, the effectiveness of their implementation varies from State to State. Instances of misuse of funds are frequently reported in studies and press reports, and these are a legitimate source of concern that needs attention. However, it must be kept in mind that while instances of misuse or leakage present serious problems, they do not necessarily imply that the overall impact of the programme is not positive. For example, MGNREGA, which was started in 2006-07 and extended to cover the whole country during the Eleventh Plan, has seen several instances of misuse of funds, but it has also notched up a remarkable success. There is a proliferation of Centrally-sponsored Schemes over a period of years. This has led to poor implementation, duplication, lack of convergence and sub-optimal results. There is an urgent need to transform the system and sharply reduce the number of schemes. This will enable more focused and effective implementation. A Committee under Shri B. K. Chaturvedi, Member, Planning Commission, has been appointed to review the entire gamut of Centrally Sponsored Schemes and make recommendations for rationalization and consolidation leading to reduction in their number.

With a people-centred, demand-driven architecture, completely different from the earlier rural employment programmes, MGNREGA has directly led to the creation of 987 crore person-days of work since inception. In financial year 2010/11, MGNREGA provided employment to 5.45 crore households generating 253.68 crore person-days. It has also successfully raised the negotiating power of agricultural labour, resulting in higher agricultural wages, improved economic outcomes and resulted in reduction in distress migration. This is not to deny that with better project design implementation leakages could be greatly reduced; and the assets so created could make a much larger contribution to increase land productivity. Reforms in implementation of plan schemes are a priority and should receive focused attention in the Twelfth Plan. There is need for more flexibility in the design of the schemes to reflect the realities on ground across the States. Special provisions should be considered for encouraging innovation and special efforts to promote convergence at the level of implementation to prevent duplication and to create synergies that improve the quality of outcomes.

8.7.5.1 Inclusive Development: Role of Extension Education in Reducing Disparities

Government of India has made “inclusive growth” a key element of their policy in Eleventh Five Year Plan, stating as a goal “achieving a growth process in which people in different walks of life feel that they too benefit significantly from the process”.

How a country may achieve a self-sustaining transition from traditional to industrial economics has been addressed by many contributions to development theory. Economic growth does not establish or suggest, however, an explicit cause-effect relationship between countries' rate of economic growth and the resulting poverty reduction, although policymakers often assume an implicit connection. One view is that growth is pro-poor only if the incomes of poor people grow faster than those of the population as a whole. An alternative position is that growth should be considered to be pro-poor as long as poor people also benefit in absolute terms, as reflected in some agreed poverty measures.

Development Policy Report of World Bank, 2006 reveals that inclusive growth is the indisputable way to reform the regional imbalances and strengthen economic gains. The DPR also reveals that the inclusive growth process should go towards the enhancement of the quality of basic services including education, power, health care and water supply for every individual across the country. The report also suggests that the stress should be given not only on the distribution of economic gains but also on empowering people in enjoying their social life and at creating employment opportunities.

Several studies suggest that there is a correlation between inclusive economic growth and the level of public expenditure on social development including education and health (Habito, 2009). Literacy is arguably the most significant factor in poverty reduction as it enhances employability. The role played by literacy has been found to be particularly notable by Ravallion and Datt (2002), who reported that nearly two-thirds of the differences between the elasticity of the head count index of poverty to non-farm output for Bihar and Kerala was attributable to the latter substantially higher initial literacy rate.

Inclusive Development and Education: The 86th amendment to the Constitution of India in 2009 makes education as a fundamental right. Education is universally recognized as a central component of human capital. The role of education as a contributor to economic growth and its impact on population control, life-expectancy, infant mortality, improving nutritional status and strengthening civil institutions is well recognised. Moreover, the social rates of returns to investments in all levels of education much exceed the long-term opportunity cost of capital. In normal course educated parents would send their children to schools. Where parents are not educated they may send their children to schools if there are enough incentives to attract and retain the children in schools. The Government of India and the United Nations (UN) recognized that certain sections of the population remain marginalized. Children who are marginalized by the formal education system are usually scheduled tribes, scheduled castes and working children, those belonging to minorities, disabled children and children in remote areas. Girls from these groups are severely marginalized.

Development programmes for industrial, scientific, agricultural and commerce growth could not be successful without an improvement of human resources. Education is the solution to many of the problems related to the economy and also the parameter for any inclusive growth. So, education had given first priority among national requirements and Indian government has taken many measures and also framed the educational policies accordingly and long back the University Grants Commission in its policy frame on Higher Education recognized extension as the third dimension of the institutions of higher education in addition to the two-fold dimension of teaching and research.

Role of extension education: In this context, extension education assumes greater importance in the context of tackling the issues of disparities in the changing world. There are many potential areas such as the following which provide enough scope for extension education to play its role in advancing the plans, schemes and programmes aimed at reducing the disparities: i) Increasing the efficiency in agricultural production; ii) Increasing the efficiency in processing, marketing, distribution and utilization of agricultural produce and other rural-based small-scale industrial products; iii) Conservation, development and use of natural

resources which are locally available; iv) Promotion of self-employment through effective farm and home management; v) Promotion of diversified means of earning for improving the quality of family-living; vi) Promotion of youth development; vii) leadership development in rural areas; viii) Integrated development of the backward communities; and ix) Promotion of public affairs/welfare.

Extension education should thus lay greater emphasis on the most deprived and the marginalized in order to reduce various kinds of disparities in different aspects of development with a view to promote equality of distribution of benefits of different measures/programmes of Government with enhanced access to existing resources and facilities.

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under “Answers to ‘Check Your Progress’ Questions”.

8) What are the various programmes implemented by the Government of India to overcome disparities?

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8.8 LET US SUM UP

Developmental disparities and marginalization have been the widely recognized issues. We have therefore highlighted the concept, significance, types and the causes of disparities. Since the disparities call for a strategy and measures for their reduction, we have also laid an emphasis on the strategy and measures followed in developing countries in general and the measures undertaken by India in particular for reducing the disparities as well as for promoting inclusive development of the marginalized.

8.9 ANSWERS TO 'CHECK YOUR PROGRESS' QUESTIONS

- 1) There are two main categories of indicators to measure economic development: i) Social, economic and political indicators, and ii) Indicators in terms of quality of life. Within these categories there are different approaches followed by the experts. UNRISD and Adelman and Morris approaches are the two major studies in the first category of indicators to measure economic development. The UNRISD (1970) approach has selected 16 core indicators (nine social and seven economic) and constructed a composite social development indexes to measure economic development. Adelman and Morris approach has classified 74 developing countries by taking 40 variables into consideration with the help of factor analysis technique. The approach has tried to examine the interdependence between social and political variables and the level of economic development. Under second category, there are two main approaches i.e. Physical Quality of Life Index of Morris (1979) and Human Development Index of United Nations Development Programme (1990). Physical Quality of Life Index has taken three variables — life expectancy, infant mortality and literacy — and constructed a simple composite index to measure economic development. By taking both economic and non-economic social indicators such as gains in literacy, schooling, health conditions and services, etc, the United Nations Development Programme has tried to construct a refinement of Human Development Index to measure development so as to give ranks. These indicators are useful in understanding the developmental disparities.
- 2) Disparity means the condition or fact of being unequal, as in age, rank or degree. For instance:
- Age disparity – being young, middle-aged, old, etc.
 - Rank disparity – being a chaprasi, clerk, an officer, etc.
 - Degree of disparity — being poor, average, excellent (as in the condition of a car), or developed, developing, underdeveloped (as in status of a country), etc.

Disparity and development are like two sides of a coin. Disparity in development creates bottlenecks to further development. The less the disparity, the greater will be the chances of development; and, the greater the disparity, the less will be the chances that development takes place. Thus, if the disparities widen beyond proportion, the deprived get excluded from developmental process as their participation in the process becomes marginal and get only fringe benefits of the overall development processes. Such phenomenon is true in the case of countries, communities and the individuals at the respective levels.

- 3) Broadly speaking, we can identify the following main types of disparities.
- i) Global disparities – Inter-regional and inter-country disparities
 - ii) National disparities or Disparities in India
 - Inter-state and intra-state disparities
 - Rural-urban disparities

- Religious and caste disparities
- Gender disparities.

The gender disparities, of course, cut across all the other types of disparities.

- 4) Global disparity describes the disparities that exist between and among the nations and regions i.e. inter-country and inter-regional disparities. For example, socioeconomic disparity exists at the global level, and that is why countries are classified into two categories: developed and underdeveloped. There are countries which are in between these two categories which are referred to as developing countries. Each country is at a different level of development, which causes disparity among the countries. Some countries have been endowed with abundant resources, while there are countries that are extremely poor in resources. Resources are of various types: material resources, manpower resources, natural resources, and financial resources. Differences in the availability and utilization of these resources, by and large, cause disparity among the countries, and put them at different levels of development.
- 5) There are many causes of disparity. They are mainly as follows.
 - Failures of Economic Growth
 - Inequalities in Land Ownership
 - Private Ownership of Industries, Trade and Buildings
 - Inequalities in Professional Training
 - Rapid Price Rise and Adverse Terms of Trade
 - Poor Availability of Credit Facilities
 - Urban Bias in Private Investment
 - Role of the Government
 - Conflicts and Displaced Persons
- 6) World Development Report 2000/2001 (UNICEF, 2009) proposed a strategy for attacking poverty in three ways:
 - i) Promoting opportunity;
 - ii) Facilitating empowerment; and
 - iii) Enhancing security.

Promoting opportunity implies steps to increase jobs, credit, roads, electricity, schools, water sanitation and health services. Facilitating empowerment requires creation of sound and responsive institutions for the benefit of the poor. Enhancing security implies reducing vulnerability to economic shocks, natural disasters, ill-health, disability and personal violence. This is an intrinsic part of enhancing well-being and encouraging investment in human capital and in higher-risk, and higher-return activities.
- 7) Important measures to reduce inequalities/disparities in developing countries are as follows.
 - Rising productivity of small-scale agriculture.
 - Land reforms and redistribution of land.

- Programmes for increasing employment opportunities.
 - Strengthening and enhancing production of small-scale and informal sectors.
 - Emphasising labour-intensive industrialization.
 - Programmes for upliftment of the rural poor .
 - Progressive tax policy.
 - Sustained investment in people to enhance human capabilities.
 - Subsidising goods and services.
 - Providing infrastructure.
 - Social security system.
 - People's participation in development.
 - Promoting accountability.
- 8) Different measures undertaken or programmes launched by the Government of India to reduce different types of disparities in India can be summed up as follows.
- i) Measures/programmes undertaken to overcome inter-state disparities include the following.
 - Western Ghats Development programme to improve and manage natural resources by including village panchayats and NGOs.
 - Special Area Development programmes for the coastal regions.
 - Backward region grant funds by merging the Rashtriya Sam Vikas Yojana.'
 - ii) Measures/programmes undertaken to overcome rural-urban disparities include the following.
 - The Swarnjayanti Gram Swarojgar Yojana Programme for group-lending to alleviate poverty.
 - The Sampoorna Grameena Rojgar Yojana to provide additional wage employment in rural areas.
 - National Rural Employment Guarantee Scheme to provide 100 days guaranteed employment for rural youth.
 - iii) Measures/programmes undertaken to overcome the inter-caste/community disparity include the following.
 - Sarva Siksha Abhiyan programme aimed to bridge all gender and social category gaps at primary stage by 2007 and at the elementary level.
 - Integrated Child Development Services to provide health check up, immunization, referral services, supplementary feeding, pre-school education, and health and nutrition education through Anganwadi centres.
 - Welfare and development of backward classes and other weaker sections, scheduled castes, scheduled tribes and minorities.

- The self-employment programmes, protection of civil rights acts, abolition of un-touchability Act, prevention of atrocities Act were implemented along with the reservations for employment.
- iv) Measures/programmes undertaken to overcome gender-disparities include the following.
- Kishori Shakti Yojana (KSY) and Nutrition Programme for Adolescent Girls (NPAG). These two schemes were being implemented for the development of adolescent girls using the existing infrastructure of the Integrated Child Development Scheme (ICDS). KSY helps to promote self-development, nutrition and health status, literacy, numerical and vocational skills among girls in the 11-18 years age groups.
 - Mid-Day Meal scheme is aimed to provide cooked mid-day meal with a nutritional content of 450 calories and 12 grams of proteins is served to children studying at primary level in government, government-aided and local body schools.
 - Kasturba Gandhi Balika Vidyalaya (KGBV) scheme is for setting up residential schools at upper primary level for girls belonging to predominantly to the SC, ST, OBC and Minority communities.
 - The Siksha Karmi Project (SKP) for qualitative improvement of primary education in remote, arid and socio-economically backward villages.

In addition to that a separate National Plan of Action for the Girl-Child has been merged into the National Plan of Action for Children, 2005 for reducing gender disparities.

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