

## **Subject – Indian Economy - I**

### **Notes Unit 1 Part A**

**By -**

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### **Meaning of Growth and Development -**

**Growth:** can be defined as an increase in size, length, height and weight or changes in quantitative aspect of an organism/individual. Hurlock has defined Growth as “change in size, in proportion, disappearance of old features and acquisition of new ones”.

**Development:** is a series of orderly progress towards maturity. It implies overall qualitative changes resulting in the improved functioning of an individual. According to Crow and Crow (1965) development is concerned with growth as well as those changes in behavior which results from environmental situation.”

### **Principles of Growth and Development –**

From the scientific knowledge gathered through observation of children, some principles have emerged. These principles enable the parents and the teachers to understand how children develop. What is expected of them? How to guide them and provide proper environment for their optimum development? It seems that the process of development is operated by some general principles. These rules or principles may be named as the principles of development.

### **Some of these principles are briefly explained below:**

**1. Principle of Continuity:** Development is a process which begins from the moment of conception in the womb of the mother and goes on continuing till the time of death. It is a never

ending process. The changes however small and gradual continue to take place in all dimensions of one's personality throughout one's life.

**2. Principle of Individual differences:** Every organism is a distinct creation in itself. Therefore, the development which undergoes in terms of the rate and outcome in various dimensions is quite unique and specific. For example, all children will first sit up, crawl and stand before they walk. But individual children will vary in regard to timing or age at which they can perform these activities.

**3. Principle of lack of uniformity in the developmental rate:** Though development is a continuous process it does not exhibit steadiness and uniformity in terms of the rate of development in various dimensions of personality or in the developmental periods and stages of life. Instead of steadiness, development usually takes place in fits and starts showing almost no change at one time and a sudden spurt at another. For example, shooting up in height and sudden change in social interest, intellectual curiosity and emotional make-up.

**4. Principle of uniformity of pattern:** Although there seems to be a clear lack of uniformity and distinct individual differences with regard to the process and outcome of the various stages of development, yet it follows a definite pattern in one or the other dimension which is uniform and universal with respect to individuals of a species. For instance, the development of language follows a somewhat definite sequence quite common to all human beings.

**5. Principle of proceeding from general to specific:** While developing in relation to any aspect of personality, the child first picks up or exhibits general responses and learns to show specific and goal directed responses afterwards. For example, a baby starts by waving his arms in general random movement and afterwards these general motor responses are converted into specific responses like grasping or reaching out. Similarly when a new born baby cries, his whole body is involved in doing so but as he develops, it is limited to the vocal cords, facial expression and eyes etc. In development of language, a baby calls all men daddy and all women mummy but as he grows and develops, he begins to use these names only for his own father and mother.

**6. Principle of integration:** By observing the principle of proceeding from general to specific or from the whole to the parts, it does not mean that only the specific responses are aimed for the ultimate consequences of one's development. Rather, it is a sort of integration that is ultimately

desired. It is the integration of the whole and its parts as well as the specific and general responses that enables a child to develop satisfactorily in relation to various aspects or dimensions of his personality.

**7. Principle of interrelation:** The various aspects of one's growth and development are interrelated. What is achieved or not achieved in one or the other dimension in the course of the gradual and continuous process of development surely affects the development in other dimensions. All healthy body tends to develop a healthy mind and an emotionally stable and socially conscious personality. On the other hand, inadequate physical or mental development may results in a socially or emotionally maladjusted personality. That is why all efforts in education are always directed towards achieving harmonious growth and development in all aspects of one's personality.

**8. Principle of interaction:** The process of development involves active interaction between the forces within the individual and the forces belonging to the individual. What is inherited by the organism at the time of conception is first influenced by the stimulations received in the womb of the mother and after birth, by the forces of physical and sociopsychological environment for its development. Therefore, at any stage of growth and development, the individual's behavior or personality make-up is nothing but the end-product of the constant interaction between his heredity endowment and environmental set-up.

**9. Principle of interaction of maturation and learning:** Development occurs as a result of both maturation and learning. Maturation refers to changes in an organism due to unfolding and ripening of abilities, characteristics, traits and potentialities present at birth. Learning denotes changes the changes in behaviour due to training and experience.

**10. Principle of predictability:** Development is predictable, which means that, to a great extent, we can forecast the general nature and behaviour of a child in one or more aspects or dimensions at any particular stage of its growth and development. Not only such prediction is possible along general lines but it is also possible to predict the range within which the future development of an individual child is going to fall. For example, with the knowledge of the development of the bones of a child it is possible to predict his adult structure and size.

**11. Principle of Cephalocaudal and Proximodistal tendencies:** Cephalocaudal and proximodistal tendencies are found to be followed in maintaining the orderly sequence and direction of developments. According to cephalocaudal tendency, development proceeds in the direction of the longitudinal axis, i.e. Head to foot. For example, before it becomes able to stand, the child first gains control over his head and arms and then on his legs. In terms of proximodistal tendency, development proceeds from the near to the distant and the parts of the body near the centre develop before the extremities. For example, in the beginning the child is seen to exercise control over the large fundamental muscles of the arm and the hand and only afterwards the smaller muscles of the fingers.

**12. Principle of spiral versus linear advancement:** The path followed in development by the child is not straight and linear and development at any stage never takes place with a constant or steady pace. At a particular stage of his development, after the child had developed to a certain level, there is likely to be a period of rest for consolidation of the developmental progress achieved till then. In advancing further, development turns back and then moves forward again in a spiral pattern.

### **A Developing Economy – Indian Economy -**

Our country is a developing nation - this is the main characteristic of the Indian Economy. Our Indian Economy is moulded after the Independence in such a manner that it has a blend of both a retarded and a developing economy.

We must know the basic character that is displayed by the Indian Economy which corresponds with the developing nations. This will help us know our economy at a larger scale and work towards its improvement. In this context, we are presenting our discussion which is based on the Characteristics of the Indian Economy, where we will be discussing the nature or characteristics and know about the dreadful scenario of poverty in India.

### **Basic Characteristics of Indian Economy -**

The Indian economy is a developing economy, and this is owed to the fact that there are extremely high levels of poverty, unemployment, illiteracy, etc. in India. With a suddenly diminishing Gross Domestic Product (GDP) to add to the various problems faced by the Indian economy, there are a lot of factors that contribute to the nature and characteristics of the Indian

economy being a developing economy. Let's understand the characteristic features of developing economies and then understand how these features apply to the Indian economic realm.

### **Characteristic Features of Developing Economies -**

A developing economy is one in which the process of development has begun, but it has not affected the whole economy in a full-fledged manner as of yet. The following are some of the characteristic features of developing economies:

- **Low Per Capita Real Income**

The real income of a country refers to the purchasing power of the country as a whole in a given financial year, while the *per capita* real income refers to the average purchasing power of the country or the purchasing power of an individual in a country in that year. Developing countries share the characteristic of a low per capita real income.

- **High Rate of Population Growth**

Where there is a high population, there also has to be an infrastructure in place to support that population. This means there need to be enough educational and medical facilities, enough employment opportunities with good salaries, etc. With a high population, especially an increasingly high population, providing these facilities to each citizen becomes a huge task and most often, governments are unable to follow through, thus leaving the economy in the developing stage.

- **High Rate of Unemployment**

As mentioned before, the appropriate opportunities and facilities are unavailable for the high population in developing countries. Unemployment is a problem that deserves an explanation of its own because a lack of employment leads to a lack of funds for an individual and his or her family to even beget the basic necessities of life.

- **Dependence on the Primary Sector**

When institutions have not yet been developed in a country, and there are not enough jobs available for people, they have to turn to what they have been doing for centuries before - primitive primary sector jobs. While these jobs, such as agriculture, are incredibly important in the larger perspective, they do not fetch workers a whole lot of income, nor do they add to the development of an economy to a very large extent.

## **Vicious Circle of Poverty in India -**

The vicious circle of poverty works on both the demand side as well as the supply side. On the demand side, the vicious circle of poverty refers to when the purchasing power (real income) of the country is low, leading to the unaffordability of goods and services. With this comes the supply side, where, since the goods and services aren't selling, there is a deficiency of capital leading to low rates of investment, and thus a low level of per capita real income. This is how the vicious circle of poverty works and it is rather common to see in developing economies.

## **Nature and Characteristics of Indian Economy -**

All the characteristics of a developing economy that we have discussed above hold true for the Indian economy. Let's take a look at how so with the basic characteristics of the Indian economy condensed into the following pointers:

- **High Level of Population Growth**

The population of India as last recorded in the year 2020 is 138 crores (1.38 billion) people and still increasing, putting it only second highest in the world after China. With the world population nearing only 8 billion people, India's share of the same is a whopping 17 per cent.

- **Perceived (Low) Per Capita Real Income**

Fairly recent statistics of India's income puts the country's per capita real income at Rs 1.35 lakh for the year 2019-20. Do realise that the average real incomes of Indian billionaires, as well as those of daily wage labourers, are all averaged here, thus the ballpark figure of 1.35 lakh rupees is not all that accurate.

- **Prevalence of Unemployment, Underemployment and Disguised Unemployment**

The prevalence of unemployment and its cousins - underemployment and disguised unemployment are incredibly harmful to the economy. With a huge population with barely any appropriate work available, things have the potential to go very south. This can be attributed to dependence on the primary sector due to the underdevelopment of the tertiary and secondary sectors of the economy. The same factors shove the economy way down into the trenches of the vicious circle of poverty and leave it there.

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