

SOCIO-ECONOMIC ISSUES

For Civil Services Mains Examinations

Human Development, Sustainable Development, Inclusive Growth & Development, Financial Inclusion, Poverty & Inequality, Hunger & Malnutrition, Healthcare, Education, Employment, Rural Development, Agrarian Distress, Social Security & UBI, Vulnerable Groups, Regional Imbalance, and Demography

WITH
CONCEPTS, CURRENT STATUS, CHALLENGES,
GOVT. INITIATIVES AND WAY FORWARD



About the Book

An important part of the General Studies syllabi of Civil Services Examinations, socio-economic issues cover many significant aspects of our lives such as health, education, poverty, unemployment, economic well-being, social security, and many more. As civil servants have to deal with these basic governance issues, this subject forms an important segment of preparation for Civil Services Examinations.

Socio-economic issues cover about 50 marks in Prelims and 150 marks in Mains examination. But, there is no specific or dedicated book so far in this subject. Aspirants have to prepare these topics from newspapers, magazines, etc. in bits and pieces.

Therefore, we have come up with this book '**Socio-Economic Issues**' that will cater to the demands of Civil Services Examinations conducted by Union Public Service Commission and State Public Service Commissions.

This book has been written adhering strictly to the latest syllabus and is based on a careful analysis of the trend of questions asked from the socio-economic sector/issues.

The contents of this book cover all dimensions of socio-economic issues like Human Development, Sustainable Development, Inclusive Growth & Development, Financial Inclusion, Poverty & Inequality, Hunger & Malnutrition, Healthcare, Education, Employment, Rural Development, Agrarian Distress, Social Security & UBI, Vulnerable Groups, Regional Imbalance, and Demography, etc.

Further, government interventions to address the above issues have been presented in a unique style comprising concepts, current status, challenges, government initiatives, and way forward, along with most recent data and facts available. Data may vary with future developments, so students are advised to update them through regular study of current affairs.

This book has been written by **N.N. Ojha & Chronicle Editorial Team**.

N.N. Ojha, Editor, Civil Services Chronicle, has over 30 years' of experience in guiding aspirants of Civil Services and other related examinations through various magazines, books, study materials, etc.

In 1990-91, he introduced Civil Services Chronicle, India's first magazine solely dedicated to Civil Services aspirants. After that, under his expert guidance, notable books that were brought out are '**IAS Planner**' (1995), '**IAS Mains Optional and GS Solved Papers**', '**Chronicle Year Book**', '**Lexicon – for Ethics, Integrity and Aptitude**' (2013), and many other books exclusively for UPSC and State PCS Exams.

Chronicle Editorial Team comprises 45 subject experts/research scholars and persons having recent experience of Civil Services Examinations. The team has contributed to more than 200 books that have set a benchmark in Civil Services and related examinations. Aspirants have benefited from these books immensely.

We hope that this book will prove to be one of the best guides in your preparation for the examinations, helping you get better marks and qualify for the coveted job.

Syllabus Covered in this Book

GS Prelims Paper-I

- Economic and Social Development
- Sustainable Development
- Poverty
- Inclusion
- Demographics
- Social Sector Initiatives

GS Mains Paper-III

- Government policies and interventions for development in various sectors and issues arising out of their design and implementation.
- Development processes and the development industry —the role of NGOs, SHGs, various groups and associations, donors, charities, institutional and other stakeholders.
- Welfare schemes for vulnerable sections of the population by the Centre and States and the performance of these schemes; mechanisms, laws, institutions and Bodies constituted for the protection and betterment of these vulnerable sections.
- Issues relating to development and management of Social Sector/Services relating to Health, Education, Human Resources.
- Issues relating to poverty and hunger.

GS Mains Paper-IV

- Issues related to direct and indirect farm subsidies and minimum support prices; Public Distribution System- objectives, functioning, limitations, revamping; issues of buffer stocks and food security.

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1 CHAPTER

Introduction to Socio-Economic Development

1.1 Introduction

There are serious discrepancies in the standards of living of people in different countries. This is primarily because countries are at varying stages of economic growth and development.

- Development is a multi-dimensional concept, and generally used in reference to political, economic, social, and technological progress of society. These spheres of society are so intertwined that it is difficult to neatly separate them and restrict the development to a particular sphere. In the field of economics, development is largely associated with economic growth and economic development of the society. The level of technology, the share of agriculture, the rates of population growth, and the composition of consumption goods all may change as a nation traverses the path of development.
- On the other hand, development gap refers to the discrepancy between the standards of living in countries at either end of the income distribution.

1.2 Economic Growth versus Economic Development

Economic growth and economic development need not mean the same thing. Strategies and policies aimed at greater economic growth may produce greater national income in a country without improving the average living standards. That means growth does not take care of distribution in society and glaring inequality can accompany the period of high economic growth. On the other hand, economic development is connected with improvement of living conditions of people and largely takes care of the issue of inclusion, illiteracy, poor

2 ■ Socio-Economic Development

health and inequality in society. Therefore, growth is quantitative while development is quantitative as well as qualitative in nature.

- For example, in oil-producing Middle Eastern countries - a surge in oil prices boosted their national income without much benefit to poorer citizens. So, they experienced economic growth without developing the life of people at large. Conversely, people-oriented programmes and policies can improve health, education, living standards, and other quality-of-life measures with lesser emphasis on monetary growth. This occurred in the 30 years of welfare oriented governance in Kerala, India.
- Therefore, the purpose of development is to raise the level of well-being and quality of life of the population. It accompanies the expansion of local regional income and employment opportunities, without damaging the resources of the environment.
- The traditional concept of viewing economic development as synonymous with economic growth was based on what came to be known as the 'trickle-down strategy', which implies that the effects of rising incomes and output would ultimately trickle down to the poor so that they would benefit poor as well as the rich.
- The modern economists reject this view and stress the need for strategies designed to meet the needs of the poor directly. Hence, economic development has come to be redefined in terms of the reduction or elimination of poverty, inequality, and unemployment within the context of a growing economy. "**Redistribution with growth**" has become an accepted paradigm.
- Prof. Dudley Seers poses the basic question about the meaning of development very clearly when he states: The questions to ask about a country's development are therefore: what has been happening to poverty? What has been happening to unemployment? What has been happening to inequality? If all three of these have declined, from high levels then beyond doubt this has been a period of development, for the country.
- In recent times, economists such as Amartya Sen and Mehboob UI Haq, have further expanded the concept of development which eventually led to the emergence of Human Development Index (HDI). Mehboob UI Haq has emphasized on maximisation

2 CHAPTER

Human Development and HDI

2.1 Introduction

In the 1970s and 80s development debate considered using alternative focusses to go beyond GDP, including putting greater emphasis on employment, followed by redistribution with growth, and then whether people had their basic needs met. These ideas helped pave the way for the human development.

- In 1990 the first Human Development Report introduced human development as a new approach for advancing human wellbeing. Human development is about expanding the richness of human life, rather than simply the richness of the economy in which human beings live. It is an approach that is focussed on people and their opportunities and choices.

2.2 Concept of Human Development

Human development is defined as the process of **enlarging people's freedoms and opportunities** and improving their wellbeing by enhancing the living standards with healthy and educated life. Human development is about the real freedom ordinary people have to decide who to be, what to do, and how to live.

- **People:** Human development focusses on improving the lives people lead rather than assuming that economic growth will lead, automatically, to greater wellbeing for all. Income growth is seen as a means to development, rather than an end in itself.
- **Opportunities:** Human development is about giving people more freedom to live lives they value. In effect, this means developing people's abilities and giving them a chance to use them. For

example, educating a girl would build her skills, but it is of little use if she is denied access to jobs, or does not have the right skills for the local labour market.

- **Choice:** Human development is a process of enlarging people's choices. In principle, these choices can be infinite but at all levels of development, three essential choices are to lead a long and healthy life, to acquire knowledge and to have access to resources needed for a decent standard of living. If these essential choices are not available, many other opportunities remain inaccessible. But human development does not end there.
- Additional choices, highly valued by many people, range from political, economic and social freedom to opportunities for being creative and productive, and enjoying personal self-respect and guaranteed human rights
- No one can guarantee human happiness, and the choices people make are their own concern. The process of human development should at least create an environment for people, individually and collectively, to develop to their full potential and to have a reasonable chance of leading productive and creative lives that they value.
- In this way the basic objective of human development is to create an enabling environment for people to enjoy long, healthy and creative lives.

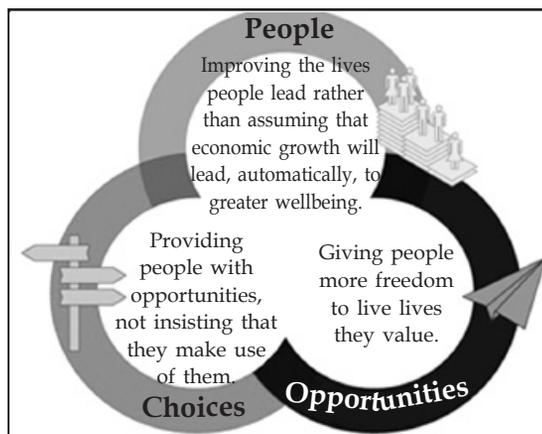


Fig: Human Development



Sustainable Development

3.1 Introduction

In 1987, the Brundtland Commission published its report, *Our Common Future*, in an effort to link the issues of economic development and environmental stability. In doing so, this report provided the often cited definition of sustainable development as “Development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (United Nations General Assembly, 1987). Albeit somewhat vague, this concept of sustainable development aims to maintain economic advancement and progress while protecting the long-term value of the environment. It also provides a framework for the integration of environment policies and development strategies.

3.2 Sustainable Development: Genesis and Evolution

The early roots of the concept of sustainable development can be traced back to the development-environment debate. The economic growth model of development, its adoption by most of the countries in the world and realisation of the consequences it produced in various forms of environmental degradation has provided the historical context for the rise of the development-environment debate.

- During 1960s and early 70s numerous concerns were raised about severe and negative impacts of human action on the planet. It also raised question over the pattern and sustainability of growth and development. Key works that highlighted this thinking included Rachel Carson’s *Silent Spring* (1962), Garret Hardin’s *Tragedy of the Commons* (1968), the *Blueprint for Survival* by the Ecologist



Hunger & Malnutrition

7.1 Introduction

Good health benefits not only the individual, but the nation as well. In many countries across the globe, the path to quality health for large proportions of their population is fraught with difficulties. In poor economies, people suffer from various health-related ailments, irrespective of their income level. Though efforts are being made by State and non-State actors to address these health problems, many countries continue to lag in meeting their goals and targets.

But there are some alarming revelation about the incidence of hunger and malnutrition, according to the recent Food and Agriculture Organisation of the United Nations (FAO) report **The State of Food Security and Nutrition in the World (SOFI), 2019**. **Welthungerhilfe**, one of the largest private aided organisations in Germany, estimates that in every ten seconds, a child dies from the effects of hunger. 815 million people do not have enough to eat, 2 billion suffer from malnutrition, but there is enough food, knowledge and resources for all.

‘The State of Food Security and Nutrition in the World (SOFI), 2019’ report showed that the decline in hunger the world had enjoyed for over a decade was at an end, and that hunger was again on the rise.

- SOFI 2019 report shows that the global level of the prevalence of undernourishment has stabilized; however, the absolute number of undernourished people continues to increase, albeit slowly.
- In case of India, there is prevalence of undernourishment and it has declined from 22.2% in 2004-06 to 14.5% between 2016 and 2018.

- In Southern Asia, food insecurity increased from less than 11% in 2017 to more than 14% in 2018. This possibly reflects an increase in the unemployment rate in India between 2017 and 2018, and especially in Pakistan, where growth is expected to slow down significantly.
- Malnourished children in India have a higher risk of death from common childhood illnesses such as diarrhea, pneumonia, and malaria.
- In the Indian Himalayas, economic slowdown coupled with natural resource depletion and climate change negatively impacted food production and employment opportunities.
- All finding directs that there are increased threats to food security due to lower purchasing power.

7.2 Basics of Hunger & Malnutrition

“Hunger defines a short-term physical discomfort as a result of chronic food shortage, or in severe cases, a life-threatening lack of food”.

-National Research Council, 2006

Hunger is a condition in which a person, for a sustained period, is unable to eat sufficient food to meet basic nutritional needs. So in the field of hunger relief, the term hunger is used in a sense that goes beyond the common desire for food that all humans experience. When specialists talk about hunger, they differentiate between three types: acute, chronic and hidden hunger.

- **Acute hunger** (famine) designates undernourishment over a definable period. It is the most extreme form of hunger and arises frequently in connection with crises like droughts due to El Nino, wars and disasters. It often affects people who are already suffering from chronic hunger.
- **Chronic hunger** designates a state of long-term undernourishment. The body absorbs less food than it needs. Although the media mostly report on acute hunger crises, globally, chronic hunger is by far the most widespread. It usually arises in connection with poverty. Chronically hungry people do not have sufficient money for healthy nutrition, clean water or health care.

10 CHAPTER

Employment & Unemployment in India

10.1 Introduction

Work is part of everyone's daily life and is crucial to one's dignity, well-being and development as a human being. Economic development means not only creation of jobs but also working conditions in which one can work in freedom, safety and dignity. Those activities which contribute to the gross national product are called economic activities. All those who are engaged in economic activities, in whatever capacity — high or low, are workers. Even if some of them temporarily abstain from work due to illness, injury or other physical disability, bad weather, festivals, social or religious functions, they are also workers. Workers also include all those who help the main workers in these activities. Those who are self-employed are also workers.

- The nature of employment in India is multifaceted. Some get employment throughout the year and some others get employed for only a few months in a year. Many workers do not get fair wages for their work. While estimating the number of workers, all those who are engaged in economic activities are included as employed.
- Studying about working people gives us insights into the quality and nature of employment in our country and helps in understanding and planning our human resources. It helps us to analyse the contribution made by different industries and sectors towards national income. It also helps us to address many social issues such as exploitation of marginalised sections of the society, child labour, etc.

- Since majority of our people reside in rural areas, the proportion of workforce residing there is higher. The rural workers constitute about three fourth of the workforce. Men form the majority of workforce in India. About 70 per cent of the workers are men and the rest are women (men and women include child labourers in respective sexes). Women workers account for one-third of the rural workforce whereas in urban areas, they are just one-fifth of the workforce.
- Women carry out works like cooking, fetching water and fuelwood and participate in farm labour. They are not paid wages in cash or in the form of grains; at times they are not paid at all. For this reason, these women are not categorised as workers. Economists have argued that these women should also be called workers.

10.2 Concepts of Employment and Unemployment

1. Employment

The International Labour Organisation (ILO) defines the employment as all those of working age population who, during a short reference period, were engaged in any activity to produce goods or provide services for pay or profit. They comprise:

- ♦ Employed persons “at work”, i.e. who worked in a job for at least one hour;
- ♦ Employed persons “not at work” due to temporary absence from a job, or to working-time arrangements (such as shift work, flexi time and compensatory leave for overtime).
- By employment is meant an engagement of a person in some occupation, business, trade or profession, etc. The notion of desiring to be employment can be explained by taking three established facts:
 - ♦ Working hours per day
 - ♦ Wage rate
 - ♦ A man’s state of health
- The definition thus includes both, self- and wage employed beneficiaries. The structure of employment can be examined by dividing it as follows: employment in organised and unorganised sector, and rural and urban employment.

15 CHAPTER

Regional Imbalance

15.1 Introduction

Development is a multi-dimensional process that involves reorganisation and reorientation of the entire economic and social system of a region. Region can be a country, state or sub-regions within a State. But if any skewness is crept into this development process, it leads to unbalanced development of the region, which is largely reflected in the form of uneven development pattern, also termed as regional imbalance.

- **Regional Imbalance** is a circumstance in which economically advanced and underdeveloped areas or regions co-exist in the corresponding region. It is manifested in the form of disparity in economic and social development of two regions i.e. one region/city/area has favourable developmental indicators than another region/city/area. For example, wide spread differences in per capita income, literacy rates, health and education services, levels of industrialization and other developmental parameters across different regions.
- Balanced regional development has always been an essential component of the Indian development strategy. Since all parts of the country are not equally well endowed with physical and human resources to take advantage of growth opportunities, and since historical inequalities have not been eliminated, planned intervention is required to ensure that large regional imbalances do not occur. This commitment was reflected in the Constitution and in planning objectives adopted thereafter.