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The Quest for Development Alternatives: The Indian Perspective

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ABSTRACT : *Development is a broader concept than economic growth. It means improvement in a complex of linked natural, economic, social, cultural progress including finer ethical ideals and higher moral values. Development Theories differ according to scientific orientation, i.e. whether predominantly economic, sociological, anthropological, historical or geographical. Development as one of the most prominent concepts emerged after the Second World War. The newly established world order with international institutions like the UN has incorporated this concept into the institutional structure and it continued to be at the center of international political economy discourse. There has been more than half a century long endeavor by various factors attempting to realize a range of developmental objectives. These efforts have been changing across the historical line in-tandem with the dynamic international political economy and the core ideas that inform its knowledge and practices. Historically speaking, modernization theory is the core point of departure in analyzing the development discourse. The present paper tries to find out the alternatives which could be the foundation stone in the quest for development ideas in India. As our country is still in developing phase, therefore, the basic indicators like population, poverty, education, agriculture etc. should be given special emphasis. The paper also highlights the point that Centrally Sponsored Schemes meant for State's development should not turn into Achilles' heel for the state. Rather, instead of political will, the state's specific need must be taken care of.*

KEYWORDS: *alternatives, development, , economic growth, modernization, urbanization.*

I. INTRODUCTION

All the growth processes is based upon development but the concept of economic development is often confused with economic growth. Adam Smith (1776) in his book 'An Enquiry into nature and causes of the Wealth on Nations, mainly dealt with economic development. Following the same trend, David Ricardo, J. S. Mill, T. Malthus, Marx and Engels, Schumpeter, M max Weber, Rostow and other classical economists also supported economic development on different grounds. The paper on Quest for development alternatives tries to relate development indicators with Indian perspective. The paper gives the picture of India both before and after independence. The paper tries to find out the alternatives which could be beneficial in the quest for development ideas in India. The paper also highlights the basic indicators like population, poverty, education; agriculture etc. should be given particular emphasis to pace up growth process.

II. THE QUEST FOR DEVELOPMENT ALTERNATIVES: THE INDIAN PERSPECTIVE

Development is a broader concept than economic growth. Development means improvement in a complex of linked natural, economic, social, cultural progress including finer ethical ideals and higher moral values. Developmentalism is the belief in the viability and desirability of a kind of economic progress. Developmentalism is a battleground where contention rages between bureaucratic economists, Marxist revolutionaries, environmental activists, feminist critics, postmodern skeptics, radical democrats and others.

Development Theories differ according to the political positions of their adherents, their philosophical origins, and their place and time of construction. They differ also according to scientific orientation, i.e. whether predominantly economic, sociological, anthropological, historical or geographical. Development as one of the most prominent concepts emerged after the Second World War. The newly established world order with international institutions like the UN has incorporated this concept into the institutional structure and it continued to be at the center of international political economic discourse. There has been more than half a century long endeavor by various factors attempting to realize a range of developmental objectives. These efforts have been changing across the historical line in-tandem with the dynamic international political economy and the core ideas that inform its knowledge and practices.

Historically speaking, modernization theory is the core point of departure in analyzing the development discourse. The assumption that upholds the progress oriented step-by-step achievement of economic growth associated with the changing values and norms of societies had a prominent role in the 1950s and early 60s. The subsequent explanations and theoretical insights forwarded both as a critique and a new paradigm have more or less the same kind of conception of development similar to modernization theory, either implicitly or explicitly.
The concept of economic development is often confused with economic growth. It is really difficult to distinguish between economic growth and development. Economic growth is the rise in national or per capita income or product typically measured by gross domestic product (GDP) or gross national product (GNP). Thus economic growth may not necessarily lead to the increase in the standard of living, even if there is increase in per capita GDP but economic development is a much broader concept than economic growth. Economic growth is one of the pre-condition of economic development.

The evolution of the concept of economic development started in the 1930s, when economists began realising that most of humankind did not live in advanced capitalist countries. Thus thinking/re-examination was flashed by Colin Clark study in 1939. Colin's work was responsible for initiating interest in the concept of development, but the interest in growth, thereafter, was re-linked by Robert Solow's neoclassical growth theory in 1956, which is based on the diminishing returns technology. In the 1970s, interest shifted from growth to monetary theories like business cycles, ratinal-expectation theories. In 1980s, in the earlier phase, interest in real factors gained importance over monetary factors. In late 1980s, new growth theory of linking the role of human capital with development was introduced. Paul Romer and Robert Lucas's work on increasing returns to scale and endogenous growth marked a new era of interest in growth. Literature on development in 1990s and 2000s has refocused on the concept of total factor productivity, endogenously determined technology, the direction of causality between human capital and growth and as role of institutions today we understand economic development as: self sustaining growth, structural changes in patterns of production, technological upgrading, social, political and institutional modernisation and widespread improvement in human conditions (Adelman 2000). According to Seers, development was a social phenomenon that involved more than growth in per capita output. Development means elimination of poverty, unemployment and inequality. This is also linked with structural issues like education, health, population growth, urbanisation, agricultural reform etc.

Some research institutions like World Bank introduced the idea of redistribution of growth (RWG) whose basic idea is to suggest the government to shape development in such a way that low-income producers realise increasing earning opportunities and receive resources to avail them accordingly. Another approach is the basic human needs (BHN) approach, which aims at providing the poor with several basic commodities and services. Efforts for quantifying and identifying proxies for these measures have led to different indexes. Some of these measures are skewed towards the health aspect while others are tilted towards social or socio- economic aspects of development. Some of the examples of such measures are: DALY (disability- adjusted life years), QALY (quality-adjusted life years), DALE (disability-adjusted life expectancy) and HALE (healthy life expectancy) by World Health Organisation, the HDI (human development index) , the GDI (gender development index), and HPI (human poverty index) by United Nations Development Programme (UNDP) and the World Bank's Development indicators (WDI) .

III. HISTORY OF DEVELOPMENT THEORY:

3.1: Classical View:

In 1776, Adam Smith published his treatise, an Enquiry into nature and causes of the Wealth on Nations, which was mainly concerned with economic development. Following the same trend, David Ricardo, J. S. Mill, T. Malthus, Marx and Engels, Schumpeter, M max Weber, Rostow and other classical economists also supported economic development on different grounds. The classical theories assumed that societies have certain homogeneous character either they are rich or poor. The practices of the past handed down from generations to generations pose problems in economic development. Among the theories associated with stages of development, Rostow's (1960)contribution is best known as he believed that every society starts off as traditional in nature i.e. preconditions of takeoff to break the trap of traditionality. These would include investments by entrepreneurs, specialisation and widening of markets, social overheads and modernisation. Alexander Gerschenkron (1962) added a new and unique idea that those who join later would grow faster and catch-up or overtake the developed countries by taking the advantage of advanced technology. Additionally, late developers are more likely to experience greater state intervention in decision making.

3.2: Neoclassical View:

The neoclassical growth theory grew on the principles of work done by Robert Solow in the late 50s. The growth model was similar to the models presented by Harrod (1939) and Domar (1946). The neoclassical growth model is based on the notion that an increase in savings rate or investment rate can only boost the economy in the short run but in order to achieve long–term growth, the production itself will be shifted upward, and that is possible only through improvement in technology. Thus, investment was not the key to growth in neo-classical models, it was technology. The second important conclusion which could be drawn is that due to the operation of diminishing returns in production, countries with lower-capital-per –worker ratios would grow much faster than more-developed countries, where capital –per- worker was already quite high. Thus, there will be a rapid convergence of wealth across countries. Therefore, convergence implies that countries' growth rates correlated to initial levels of income.

According to Solow's model, production function can be written as (A1):

$$Y = F(K, L) \qquad (A1)$$

Where Y is output, K is capital, L is labour and constant returns to scale is in operation. This means that if both K and L were increased in a certain proportion, y would also increase in the same proportion. Solow expressed his production function in per unit of labour, therefore, if production function is divided by L, production per worker is solely dependent on capital per worker given as (A2):

$$y = f(k) \qquad (A2)$$

where y is Y/L and k is K/L. This per worker production function exhibits diminishing returns; that is as capital per worker is increased, output per worker increases, but at a diminishing rate.

The concept of investment has to be introduced to understand equilibrium framework. The economy reaches a steady – state of equilibrium when capital per worker, does not change, or $\Delta k = 0$. According to Solow, labour grows exogenously at rate n. If there is no investment, then k=K/L will automatically fall as population grows. Therefore, for k to be constant, there must be investment (capital must grow) at rate n. Thus required investment will be:

$$I^r = nK \qquad (A3)$$

Or in per-worker terms, it can be written as:

$$I^r/L = nK/L \qquad (A4)$$

Or as :

$$i^r = nk \qquad (A5)$$

which is the required investment to maintain a steady k. The Solow model reaches equilibrium when required investment equals actual investment i. It is assumed that investments are funded by savings. Thus, actual investment in the economy is:

$$I = sY \qquad (A6)$$

where s is the savings rate, dividing both sides by L, we get:

$$I = sy \qquad (A7)$$

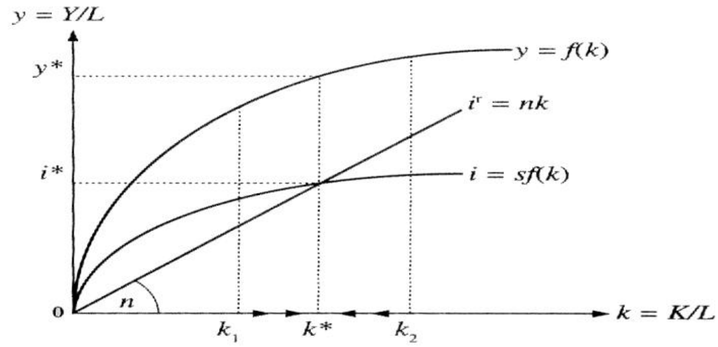
Or

$$i = sf(k) \qquad (A8)$$

the steady growth rate is achieved where actual investments equals required investments, or where sy=nk

The figure below shows steady state of growth:

Figure A1.1 **Steady-state Growth**



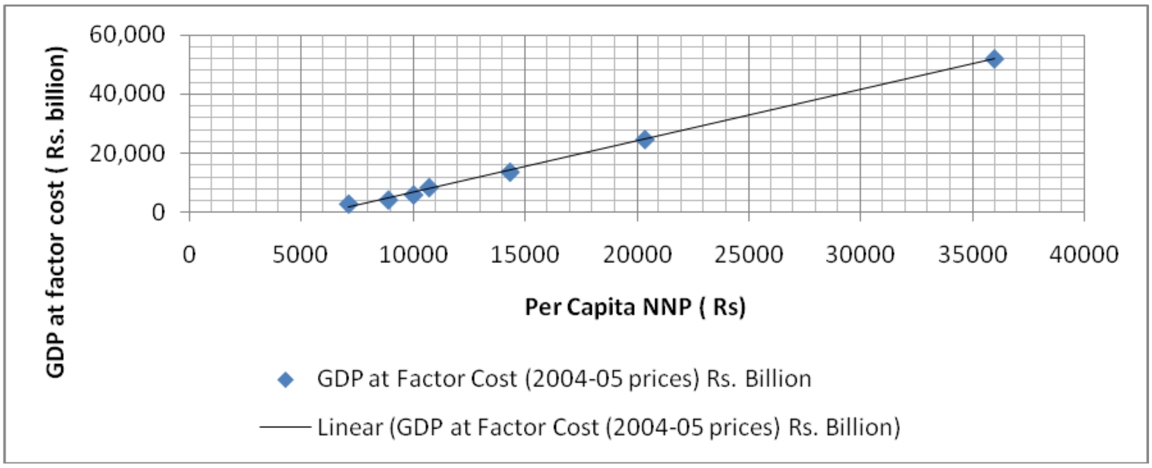
The steady growth state is achieved where actual investment equals required investment, i.e. where sy=nk. The steady level of k is shown at k*, the point where actual investment is equal to required investment, $i=i^r$. When actual investment is more than the required investment, k increases or capital deepening occurs. When the change is zero, and actual capital stock K is growing as fast as population growth, capital widening occurs.

IV. INDICATORS OF DEVELOPMENT:

The complexities in the practice of development can be associated with the fact that it is not a technical endeavor (like development management) rather a process that can hardly exist beyond the core political sphere. The highly political nature of development both in domestic and international sphere has an impact in mobilizing the necessary financial and technical support as well as justifying its premises. In many academic literatures about development W.W.Rostow's work by the title *Stages of Economic Growth: A Non-Communist Manifesto* (1960) is mentioned as an influential point of reference both for the mainstream and critical reflections on the history of theories about development. The work of Rostow comes into the scene in the post WWII era where the ideals of modernization theory were the influential narratives of development. In the political economic sphere, the US was assuming hegemonic status. It is also a period where structural functionalism has become the mantra of the intellectual discourse. As it is argued in the work of Rostow, development is a linear process of evolution to be realized stage-by-stage (1960). It is taken for granted that once the ideas and practices of the Western world are transplanted into any kind of non-Western context, the final stage of growth will be attained ultimately (ibid). Moreover, the meaning attached to development was a process of catching up an uphill ladder, a notion of progress and modernization. Dependency theory located the problem of development within the global context of the relation between the core and the periphery. In the words of the main proponents, Castells and Laserna (1989, 535), Dependency refers to an asymmetrical, structural relationship between social formations, such that the dependent society (ies) is shaped to a large extent by the social dynamics and interests generated in the dominant society (ies). The *dependentista* school of thought emerged in the context of critiquing the earlier attempts of achieving development, economic growth (Import Substitution Industrialization –ISI) and modernization.

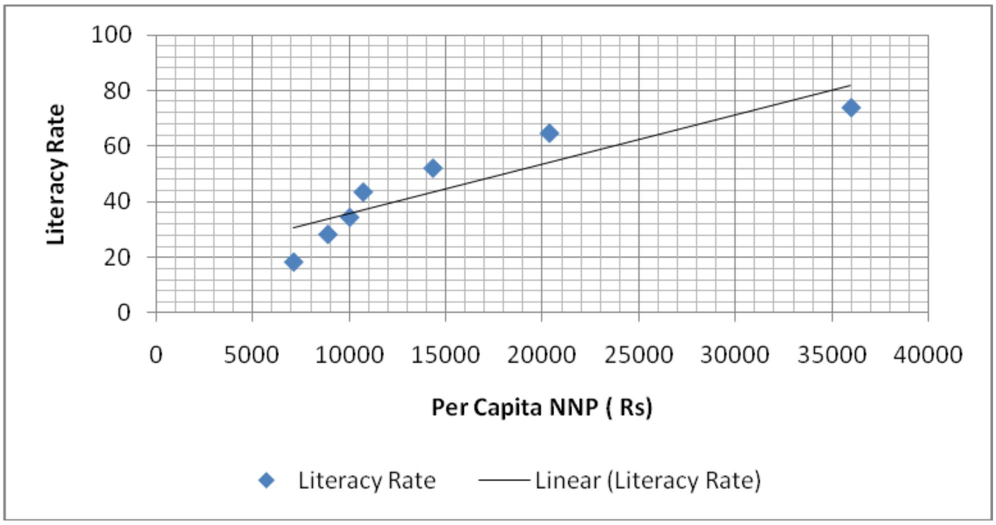
Economic development was traditionally equated with economic growth, which is measured by per capita GDP. GDP is the market value of all final goods and services produced in an economy in a year. Economic development is a broad concept, which is difficult to measure or quantify. Other than per capita GDP, economists have used measures of health, life expectancy, infant mortality, education, poverty rate, inequality in income distribution etc. as a proxy to development. **Relation between Per Capita NNP and GDP**:
The figure below represents the scatter plots with fitted regression lines, the graph shows that both GDP and literacy rates are positively correlated to per capita NNP. Therefore, per capita NNP or GDP can be used as a measure of development, inspite of its narrow focus.

Figure B 1.2: Correlation between Per Capita NNP and GDP



Source: Handbook of Statistics on the Indian Economy

Figure C 1.3: Correlation between Per capita NNP and Literacy Rate



Source: Census and Handbook of Statistics on the Indian Economy

Human Capital as an instrument of growth:

The concept of human capital as an instrument of growth was initiated by Romer (1986). Romer showed that the introduction of human capital into the production function changed its characteristics into increasing returns. Previously, neoclassical conclusions were based on diminishing returns technology. But Mankiw, Romer and Weil (1992) showed that introducing human capital as an input into production function will increase model's predictive powers. Three themes developed in this connection:

First theme was related to the introduction of human capital into production function by Mankiw, Romer and Weil (1992).

Second theme was the introduction of knowledge accumulation either directly via human capital or indirectly via research and development (Lucas, 1988 and Romer, 1990).

Third theme was based on the competition of patents and was introduced by Aghion and Howitt (1992).

A simple formula applicable to all branches of growth theory can be written as:

$Y= f(K, L, H, A)$

Where, H= Human capital

K= Physical capital

L= labour

A= Technology

Thus, the main difference between Classical and Neo-classical views is that, neo-classicals consider human capital and physical capital as two distinct factor of production and A is no longer constant.

V. INDIA:

India has the largest democracy and plays major role in the current global economic environment. Though known for its green revolution, still the country depends upon monsoon rains for its agricultural sector, which has usually accounted for two-thirds of its gross domestic product (GDP). India got independence in 1947 and two sovereign countries, India and Pakistan were formed. From a position of stagnancy and chronic poverty and underdevelopment, India became the world's fifth largest economy in 1995, after United States, Japan, China, Germany based on gross national product (GNP). One of the major reasons for the increase in the size of the economy was population over 1 billion. Economic reforms in 1991, also stimulated economic dynamism, growth of information and technology sector and consistent economic growth.

VI. INDIAN SCENARIO:

8.1: Before Independence:

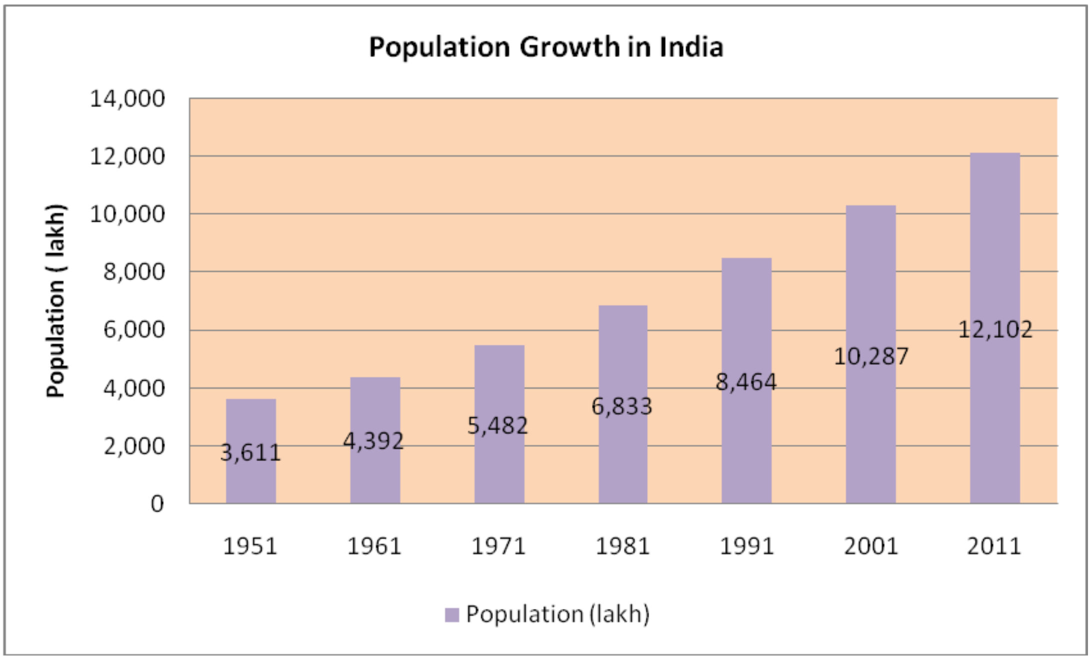
According to Historian Angus Maddison (2001), India had the world's largest economy between the first and fifteenth centuries i.e. from 32.9 percent share of the world GDP in the first century to 24.5 percent in 1500. In 1700, India's share of the world's income was 24.4 percent, whereas, Europe was 23.3 percent. Before the middle of the eighteenth century, south of India was very dynamic place.

For centuries, cloth and textiles represented the most important non-agricultural items in world trade. In 1750, according to Paul Bairoch, Indian subcontinent accounted for a quarter of world manufacturing output (as cited by Parthasarathi, 1998). Thus this dualistic model of proto industrialisation and commercialisation needed agricultural development's support. In the 19^{th} century, machinery was applied to production process in England but in India there was deindustrialisation. England disrupted Indian markets. According to the recent work of Clingingsmith and Williamson (2004), deindustrialisation of India had begun in early 19^{th} century and had a negative impact on the structure of the Indian economy- employment in manufacturing declined as a percentage of total employment. During the steady decline of Mughal Empire, there was rapid spread in revenue farming and rapid increase in rents. War and political instability increased uncertainty and suppressed the incentive to accumulate and innovate. So we can recollect that deindustrialisation in India occurred in two stages:Firstly, the collapse of the Mughal empire drove down grain productivity, pushing up nominal wages and harming India's competitiveness in manufactured items. Secondly, productivity advances stemming from the adoption of the factory system in England drove down the price of textiles in India. Thus, colonisation halted industrialisation process. But according to Morris (1963), colonisation provided the foundation for westernisation and modernisation. British rule brought laws, roads, rail roads, peace and order and other infrastructures in the economy. But with the end of colonisation, India was one of the poorest countries where increase in population could offset any increase in GDP.

8.2: Independent India: At the time of independence, India's per capita yearly income was very low. India's share of the world's income fell from 24.4 percent in 1700 to 3.8 percent in 1952 (Maddison, 2001). Achieving economic development became the main goal of Indian leaders. Nehru's main objective was the creation of a developmental state that could establish an industrial structure, raise India's rate of saving, promote rapid growth, reducing poverty etc. However, India did establish a growing industrial base, savings rose from 10 to 25 percent of GDP between 1950 and 1980 growth rates for real GDP and per capita GDP were 3.7 percent and 1.5 percent respectively (DeLong, 2003).Having examined the historical development of the Indian economy, India's current situation in terms of population, poverty, agriculture and education is:

8.2. A: Population Growth and Unemployment: Population growth is a chronic problem in India. From 1951 to 2011, the increase in population is about 30 percent. The graph below shows the trend of population growth in India.

Figure D 1.4: Population Growth in India



Thus, the Indian economy with a population of 1210 million, is characterised by significant underemployment where in people are hired at jobs for which they are over qualified. In 1993-94, open unemployment was only 2 percent while underemployment and unemployment is 10 percent.

Table1: All India Employment and Unemployment Status (per 1000)

Indicator	NSS 66th round (2009-10)			NSS 61st round (2004-05)		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**
	Usual Principal + Subsidiary Status					
LFPR	557	233	400	559	294	430
Work participation Rate	546	228	392	547	287	420
Unemployment Rate	20	23	20	22	26	23
	Current Weekly Status					
LFPR	550	207	384	550	257	407
Work participation Rate	532	198	370	527	244	389
Unemployment Rate	33	43	36	42	50	44
	Current Daily Status					
LFPR	540	179	365	538	215	381
Work participation Rate	507	164	341	496	195	350
Unemployment Rate	61	82	66	78	92	82

Source: Key indicators of Employment and Unemployment in India, 2009-10, NSSO

From Table 1, it is clear that overall unemployment rates were lower in 2009-10 compared to 2004-05. However, decline in LFPR (Labour Force Participation Rate) was higher in females compared to males.

8.2. B: Poverty: Poverty is another major problem in the country. Vicious circle of poverty is such that who so ever gets into this has to face big challenges to get out of this circle. According to the estimated figures in late 70s, about 329 million people lived below poverty line (i.e. about 51% of population). Poverty reduced during 1980s and 1989, it was estimated that about 40 percent of population (300 million) lived below poverty line. Slower economic growth and high inflation in 1993-94 reversed the trend. In 1993-94, 403 million people (45 % of the population) lived below poverty line. In 1999-2000, however, there was fall in number to 260 million (26%) but again in 2004-05 and 2009-10, the number rose although in 2009-10, there is a negligible decrease in number.

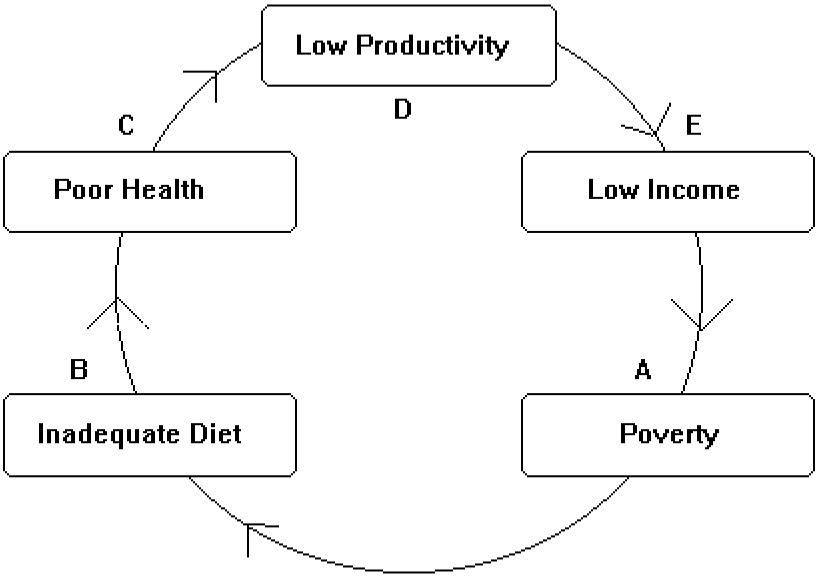
Table 2: Percentage and Number of Poor

Year	Rural (%)	Urban (%)	Total (%)	Rural (million)	Urban (million)	Total (million)
1973-74	56.4	49.0	54.9	261.3	60.0	321.3
1977-78	53.1	45.2	51.3	264.3	64.6	328.9
1983	45.6	40.8	44.5	252.0	70.9	322.9
1987-88	39.1	38.2	38.9	231.9	75.2	307.0
1993-94 (Lakdawala Methodolgy)	50.1	31.8	45.3	328.6	74.5	403.7
1999-2000	27.1	23.6	26.1	193.2	67.0	260.2
2004-05	41.8	25.7	37.2	325.8	81.4	407.2
2009-10 (Tendulkar Methodology)	33.8	20.9	29.8	278.2	76.5	354.7

Source: Planning Commission of India

According to Deaton and Dreze (2002), regional disparities in poverty increased in 90s with the southern and western regions doing much better than the northern and eastern regions. The chart below shows vicious cycle of poverty. Poor means low income, inadequate diet, no education, low earning job, less or no saving and residing in unhygienic living conditions.

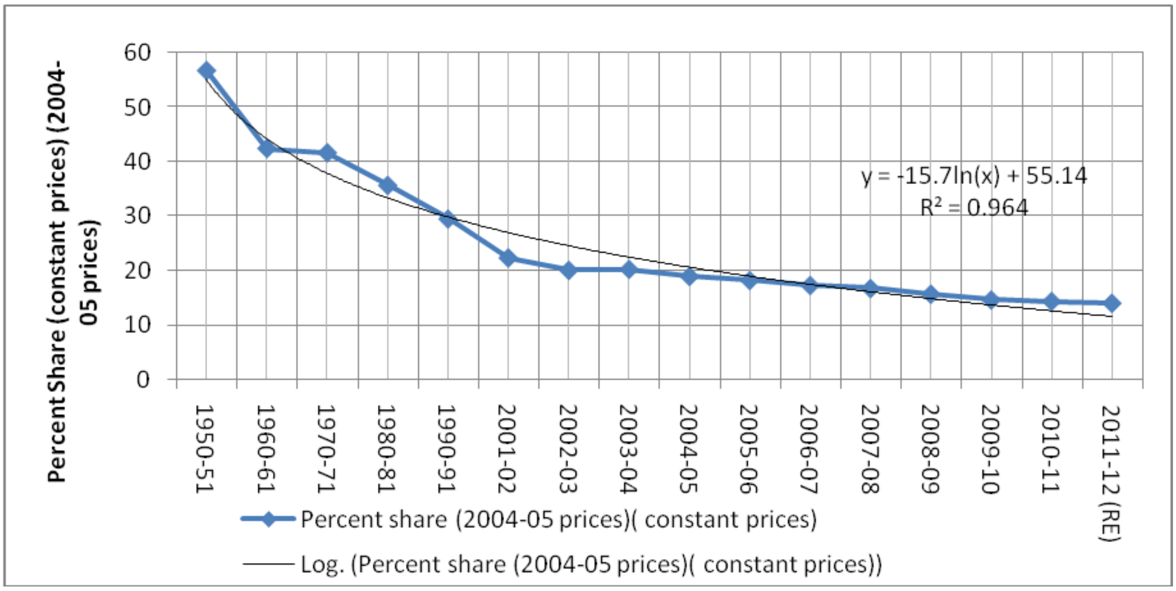
Figure E 1.5: Vicious Circle of poverty



8.2. C: Agriculture and Development: Indian agriculture faces daunting challenges. Despite national food surpluses, wide spread poverty and hunger remain because the growth of agriculture and the national economy have not adequately benefited the poor. Moreover, with strong growth of income and a projected addition of another 375 million people by 2020, total cereal demand in India is projected to grow by nearly 85 million metric tons. This is an increase of more than 50 per cent from 1993 (Rosegrant et al. 1997).Agriculture sector is the mainstay of the Indian economy, contributing about 15 per cent of national Gross Domestic Product (GDP) and more importantly, about half of India's population is wholly or significantly dependent on agriculture and allied activities for their livelihood (GOI, 2011). The contribution of agricultural sector to GDP has continued to decline over the years, while that of other sectors, particularly services, has increased. In 1970-71 agriculture contributed about 44 percent of GDP, which declined to 31.4 percent and 14.6 percent in 1990- 91 and 2009-10 (at 2004-05 prices), respectively (CSO, 2011). Nevertheless, agriculture remains a major source of employment, absorbing about 52 percent of the total national work-force in 2004-05, down from about 70 percent in 1971. The share of agricultural exports in total export value declined from about 18.5 percent in 1990-91 to about 10.6 percent in 2009-10, while share of agricultural imports to total national imports increased from 2.8 percent in 1990-91 and reached a high of 8.2 percent in 1998-99 and declined to about 4.4 percent in 2009-10 (GoI, 2011). Importance of agriculture in a country like India is not likely to decline due to concerns for food security, employment, rural poverty and availability of wage goods (Vyas, 2003).

Agriculture was considered to be the backbone of Indian economy and its contribution to the National Income was estimated as about 57 per cent in the early fifties. This position got altered steadily and significantly since independence (Figure F 1.6). From 60s to 70s, the share in GDP was about 42 percent but the trend shows regular decline, in 80s and 90s ,the share was between 35 to 30 percent and from 2001-02 to 2003-04, the share was between 22 to 20 percent but 2004-05 onwards, it is showing regular decline. Therefore, in a country where agriculture is the mainstay of 70 percent population, the share of agriculture in GDP is only 14 percent and it shows regular decline in the coming years.

Figure F 1.6: Percent share of agriculture and allied sectors in Total GDP (2004-05 prices)



This is a remarkable factor to note that agriculture's share in GDP has declined in recent years, whereas, there is increase in the share of manufacturing and service sector. Thus, with the growth of economy, the dependence on agriculture is declining and the economy is shifting towards manufacturing and services which is another development indicator of an economy. But along with the decline in agricultural share, the food security will become a serious issue for the economy.

8.2. D: Education:

According to human development reports (Haq 1997, Haq and Haq 1998), South Asia contains about half of the world's non-literate population. At the time of independence, India inherited an educational system that was characterised by imbalance between regions as well as within regions. The literacy rate in 1947 was a mere 11 percent. Some of the typical features leading to educational imbalance were economic inequality, gender disparity and rigid social stratification. In 1960s, government resolved to provide free education to all under the age of 14 but the programme was not a success due to inconsistencies between goals and actions. A breakthrough in improving literacy was achieved with the National Literacy Mission in 1988. Literacy is considered as a tool for achieving social equality. However, the Government of India amended its fundamental rights and introduced Right to Education (RTE) in 2010 as a fundamental right of Indian citizen. Under this, education was made compulsory for children, between 6-14 years of age. This is running at present as a flagship programme named as sarva sikhsha abhiyan. Literacy levels and educational attainments are indicators of development in a society. Attainment of Universal primary education is one of the Millennium Development Goals of the United States to be achieved by 2015. Education leads to improvement in demographic indicators like fertility, mortality (infant and mother) and migration. It also improves life expectancy, quality of life, learning levels, nutritional levels etc. The literacy rate for India according to 2011 census is 74.04 percent. Out of this, male literacy worked out to be 82.14 and for female literacy was 65.46 percent. Therefore, there was 9.21 percentage points improvement in overall literacy and it was 6.88 and 11.79 percentage points improvements for male and female literacy. However, efforts are being made by the Planning Commission to achieve target of 85 percent by 2011-12.Inspite of our recent progress, we are lagging behind in development due to increase in population. Even though birth rates have been declining steadily but total population is increasing and surpassed 1 billion. The growth and distribution of population has been different in different states. According to Kingdom et al., the states like Bihar, MP,UP and Rajasthan have experienced increase in the school-age population, while in other states , it has either declined or remained same. The levels and trends in school expenditure is another problem. Moreover, gender gap, pupil-teacher-ratio, infrastructure, too large class sizes ,drop outs, caste, attainment, rural , urban and other disparities exist in the states and across the districts of the country (ibid).

Table 3: Trends of literacy rates in India

Census Year	Total Persons	Males	Females	Male-Female gap in literacy rate
1951	18.33	27.16	8.86	18.30
1961	28.30	40.40	15.35	25.05
1971	34.45	45.96	21.97	23.98
1981	43.57	56.38	29.76	26.62
1991	52.21	64.13	39.29	24.84
2001	64.83	75.26	53.67	21.59
2011	74.07	82.14	65.46	16.68

Source: Provisional Census, 2011

From table 3, it is clear that literacy rates are showing a steady increase throughout the decades, and as education is the backbone of the economy so with educational progress and reduction in gender disparity the development of economy is certain and positive.

Various interventions by Indian Government: the assessment

In any political-economic issue, the relationship between democracy and development are intertwined. As India has world's largest democracy and since independence, disparities in social development have increased, therefore, the aspect of democracy and development becomes ambiguous. India is a country where 21.92 percent population lives below poverty line and there is great diversity or regional imbalances. For e.g. , the literacy rate of Kerala was 94 percent and that of Bihar was 64 percent according to 2011 census. Similarly, infant mortality rate was 59 in MP and 22 in Tamil Nadu (2011). In case of Per capita Income, the income of Maharashtra is Rs. 62729 whereas, that of Bihar is Rs. 13632, the second lowest among 28 states. Thus, although there have been many studies on the economic causes of socio-economic diversity but there are very few studies on the political determinants of social development,It is a belief that political factors can make a difference in development; the electorate can pressure government to improve social development. On the eve of India's independence, First Prime Minister of India, Jawaharlal Nehru said that independence "is but a step, an opening of opportunity, to the great triumphs and achievements that await us------the ending of poverty, ignorance, disease and inequality of opportunity" (Dreze and Sen 1995).The Indian government has taken the responsibility of development since the inception but the policies which the government has adopted are not effective and the cause behind it is negligence of regional disparity. India's legislatures and bureaucracy have proven to be robust, when other democracies were fragile. Equal voting right to all above 18 including women and minorities is a major indicator of development i.e. equal right but criminalization of democracy hinders all these growth processes.Secondly, it is the centre's responsibility to develop the country but every state has its own specific needs. Centrally Sponsored Schemes are meant for reducing regional disparity and develop backward states. The list below shows different flagship programmes run by Central Government in all 28 states.

(i) Agriculture & Rural Infrastructure

- Rashtriya Krishi Vikas Yojana (RKVY)
- Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)
- Pradhan Mantri Gram Sadak Yojana (PMGSY)
- Indira Awaas Yojana (IAY)
- Total Sanitation Campaign (TSC)
- National Rural Drinking Water Mission (NRDWM)

(iii) Health & Nutrition

- National Rural Health Mission (NRHM)
- Integrated Child Development Scheme (ICDS)

(iv) Education & Skill

- Sarva Shiksha Abhiyan (SSA)
- Mid-Day Upgradation Meal (MDM) Scheme
- Skill Development Mission

(v) Power - Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)

- Restructured- Accelerated Power Development and Reforms Programme (R-APDRP)

(vi) Irrigation

- Accelerated Irrigation Benefit Programme

(viii) Urban Development

- Jawaharlal Nehru National Urban Renewal Mission (JNNURM)

(ix) Social Security

- National Social Assistance Programme (NSAP)

The areas covered by these Flagship Schemes are clearly of great importance in terms of our national priorities. In terms of Millennium Development Goals, literacy, growth, health, sanitation and access to energy are considered critical areas internationally. But the pattern of assistance to States varies. Generally it is Central Government's contribution of 90% for North-East States and 75% – 100% in different schemes for non-special category States. *It will thus be noticed that in each one of these schemes, there is a contribution of the State Government, as well as Central Government. In some cases, beneficiaries also contribute to the total schemes.* Therefore, it could be said that, all these programmes are burden on the state government. All the flagship programmes run by the Central government do not add up to the State's development. Rather, they become Achilles' heel for the state. Every state has its own priority but because of the imposition of development schemes (CSS) by the central government, states have to curtail their development expenditure in order to fulfill Central government's target.Thus, development alternatives should be such that it does not turn into imposition and instead of progress push the state towards immense backwardness. Any programme formulated by the centre must be based on need criteria and not on political will, ignoring the state's need.

Summing Up*:*

Finally, we can say that all the developments are inter-related to each other. Development in one sector will have trickledown effect on another. Anyways, agriculture is still the backbone of the economy. Although with the growth of manufacturing and service sectors, the importance of agriculture is declining but still in order to support the mouths of 1210 crore, food security is needed this could only be achieved by growth and modernisation in the agricultural sector. Development alternatives are very selective, priorities should be selected according to the need of the economy and for a developing economy like India, food, education and employment are the prime needs of the society. But it is the responsibility of the centre to frame any programme keeping in view the inter-regional disparities, so that any development measure can result in balanced development in the country. It is not the importance of a political group, but the need of the state should be considered. Once these goals are achieved only then country can march ahead in the race of development.

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