

References

Marta Botta & Allasghar Abbasi (June 2015). Armed Conflict Versus Global Sustainable Development as Functions of Social Change. *Journal of Future Studies*, Vol. 19, N0 4

S C Dube. (1996). Villages change in India. New York Harper Colophon Books

Aas score (12 March 2023). Report: Indian Society's Great Challenges.

Meenakshi Sherawat (Dec 19, 2018). A Transitioning Indian Society. <https://youthkiawaaz.com/> Accessed 8/8/2023.

Dr. V Basil Hans is Research Professor, Srinivas University, Mangalore.

Email: vhans2011@gmail.com

Article History

Received: 25 – 08 – 2023

Revised: xxxxxxxx

Accepted: 24 – 10 – 2023

Development in Neoliberal Era: Issues and Concerns

N. Rajaram

Abstract: On the basis of present status of world order, it can be argued that neo – liberalism - centric - development is 'anti - poor' and 'anti - democratic' project. Inter-conflicting and intra-conflicting social relations indicate that neo - liberalism - centric development is 'uncontrolled reality' because 'State' is now subordinate to global market and market society. The process of alienation amongst 'people-at-margin' is a systemic reality. One can also observe the decline of human sciences, as a result 'manufactured myths' have been accepted by people as 'cultural development' which State and market society continuously endorse. Due to these 'manufactured myths' the culture of protest is not appreciated by those sections of society who claim themselves as democratic ruling groups and respective allies.

With this understanding the present article examines the paths of development determined and directed by neo - liberal model alongwith cause-effect relationship so that multi -dimensional consequences could be understood with ideological orientations.

Key words: Neo-liberalism, Development, Surveillance Capitalism
Caste - discrimination, Inequality, Injustice

In the recent era, development has become the buzzword of contemporary discourse. Rist (2008:43) says, ‘development’ has come to be considered as “natural and necessary.” Others say, that it refers to the way western society has developed being extended to all other societies (Sachs, 2010: xv). Thus, in India today, it is not surprising to see politicians of all hues and at various levels often using this catchphrase for their actions and decisions. This has also caught the imagination of people of the whole country.

Development refers to a desired outcome of change, which is consciously planned and navigated by the state. Although it refers primarily to economic outcomes, but nowadays a distinction is being made between ‘economic’ and its ‘social’ dimensions. This distinction is done by various bodies, including the UNDP, which uses the ‘human development’ indicators as a tool to compare nations and regions of the world.

Sociologists, along with others concerned with development, have been emphasising ‘social development’ as a category and concept by which to analyse this phenomenon. Justice, especially social and individual, equality, liberty and fraternity, would comprise the core concepts of social development. Accordingly, any discussion of development raises the questions – development for whom? And by which processes? Thus, development has implications for social and cultural groups affected by it, by both the processes and outcomes of development. Therefore, the analysis must be not only on the outcome but also on the path, the means by which the outcome was reached.

In the following segments, I examine in section 1, how the current path of neoliberal development came to be favoured. In section 2, the way neoliberal globalisation has changed the way we conduct our social relations is explained. Section 3 points out, how neoliberalism instead of improving well-being, has increased inequality whereas, in section 4, I sketch how recent research point to negative health outcomes of growing inequality. In section 5, I show how recent

studies have pointed to a link between inequality and differential carbon footprint. The last section is the conclusion.

I

The ‘age of development’ began when the President of United States of America, Harry Truman, in his inaugural speech on January 20, 1949, declared the people of ‘Southern hemisphere’ as ‘underdeveloped’ (Escobar, 1995:3; Rist, 2008:70-72; Sachs, 2010: xvi). Thus began an era in the aftermath of Second World War, whereby former colonies of Asia and Africa and Latin America, were expected to catch up with the developed West. Globally, at that time, there were two competing models: the Soviet model of development where state dominated and the other that of the West, where markets dominated. India, after independence, embarked upon the ‘mixed’ path of development; but bulk of major sectors of the economy were state controlled, and the presence of the state was ubiquitous. It was an era in which the aim was to ‘modernize’ and catch up with the developed countries, by following top-down linear path of development.

By the end of 1980s, globally there was a radical shift in the model of development. First changes brought about by technology in ICT ushered in what we now call the age of ‘globalisation.’ Further, with the collapse of the Soviet Union in 1991, the ‘market’ became favoured all over the world. India also entered this neoliberal era around the same time by opening its economy to private players with the market taking centre stage.

The age of neoliberal globalisation marked easier movement of finance and capital, but not of labour. Globally, manufacturing shifted to countries of the South; and “goods, money, information, images and people” now started flowing across frontiers and gave “rise to a transnational space in which interactions occur freely, as if national spaces did not exist” (Sachs, 2010: vii). This resulted in the expansion and growth of middle classes in the developing countries, who now became more consumerist. There was a lot of hype at that time and as Berthoud (2010:74) said “undeniably, our time is characterized by a

deep belief in the powers of the market to solve the world's development problems." He goes on to say that "in the west, there is a broad consensus that market capitalism...(is) the best possible system for the whole of humanity." Thus began an era where 'Market' was viewed as God (Cox, 2016:8), because market is viewed as being 'omnipotent', 'omniscient' and 'omnipresent', features which God possesses in Western tradition. Even the UNDP in its report of 2013 (UNDP 2013) gushed and titled its report "The Rise of the South: Human Progress in a Diverse World". In the second decade of 21st century, India is continuing to open sector after sector, including health and education, to private players.

II

In the age of neoliberal globalisation there has been rapid changes in ICT technology, albeit double edged. The way we conduct our social relations in the public and private spheres has changed drastically. While new technology has helped to overcome traditional barriers to market relations, by making fund transfers quick and smooth, it also has brought changes to the way we keep in touch with each other. The cell phone has become ubiquitous, making communication easier; but it also has become intrusive. These changes have also blurred the distinction between private and public spheres.

Now your purchases, leisure time activities and all transactions done online get stored and are used by various agencies to keep a tab on you. The mobile phone can be tracked. The private sphere has shrunk and increasingly, every aspect of a person's life is public. Zuboff (2019) calls this 'surveillance capitalism', which "feeds on every aspect of human experience" (2019: ch 1).

Social processes are affected by this emphasis on market dominated development. Materialism and consumerism are the hall mark of success; and all other pursuits or achievements, if not translated into material terms, become meaningless. Thus, it affects family, community, social and cultural bonds. As Sandel (2012: Introduction) says now everything is for sale, and we "*drifted from having a market economy to being a market society*".

III

While the last two decades have been tumultuous at the global level and for India, however scholars at the global level have been pointing out that this shift to market, has resulted in emergence of issues of concern. The neoliberal path of development has been iatrogenic.

Comelieu (2002:80) points out, "The operation of the market ... is intrinsically a mechanism for the cumulative strengthening of inequalities, especially once it becomes the dominant mechanism of social regulation." Rist (2008:230) points out that there is "something absurd when the international agencies bewail poverty and claim to be engaged in a struggle against it, while at the same time they stress the need to make markets work better for the poor." Sachs (2000:13) quotes from Human Development Reports of 1998 that "in 1996, the 20 percent of the world population living in affluent countries had an income at their disposal 82 times higher than the poorest 20 percent of the world population; in 1960, it was just 30 times higher". Stiglitz (2011) captured this growing inequality aptly by titling his article "Of 1 %, by 1% for 1%."

Thomas Piketty's 2014 book, *Capitalism in 21st century*, got great acclaim for pointing out that capitalism is resulting in greater inequality. He along with others established the World Inequality Laboratory (WID) in Paris in 2011. WID thereafter started bringing out reports on the growing inequality in the world. The WID report of 2018 (Chancel, et al.: 2017:41) points out that at the world level, the phase 1950-80 was an egalitarian phase; but since 1980 there has been growing inequality, with varying magnitudes (Chancel, et al.: 2017, Table 2.1.1, p:45). In India, the income and wealth distribution has been highly skewed with most growth being gobbled up by a tiny elite. Figure 1 below from WID report (Chancel, et al.: 2021:197), shows the income inequality for period 1900-2021. In the figure, the gulf in recent years in the income share of top 10% (average income of ₹11,66,520 or €42,500 per person) as compared to bottom 50% (average income of ₹53,610 or €2000 per person), has only been increasing.

Figure 1: Income Inequality in India 1900-2021

Source: Chancel, et al.: 2021:197 and from the website of WID: <https://wid.world/country/india/> (accessed August 20, 2023)

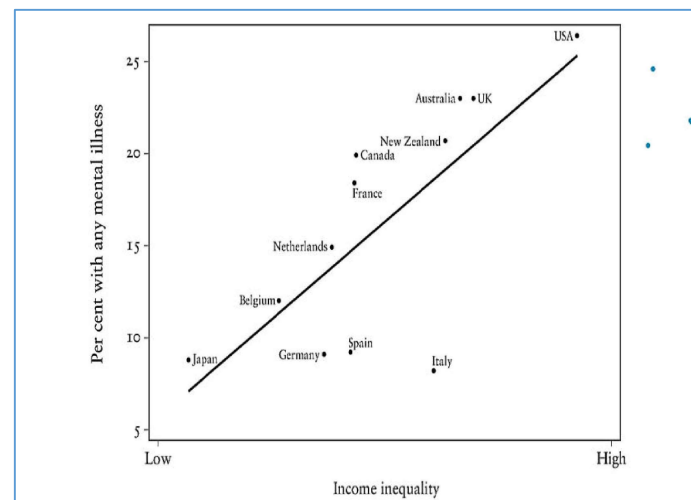
There have been similar reports by others as well, on this growing and expanding inequality at the world level and at India level. For instance, Oxfam (2020:8) report points out that at the global level, the world's billionaires, only 2153 people, had more wealth than the world's 4.6 billion people. As for India, Oxfam has brought out recently, an India supplement titled "Inequality Kills" (Oxfam, 2022). In this report, Oxfam (2022:7) points out that in 2020, the top 10% in India held close to 45% of India's wealth.

Growing inequality affects our living conditions and our notions of justice and fairness. More significantly, the recent publications of two epidemiologists, Wilkinson and Pickett (2010, 2018), has shown that inequality has negative health outcomes. They used data mostly from the developed world in the first book; and expanded to other countries in the second. They point out how countries with higher income inequality correlate with worse outcomes on health, mental illness, obesity, life expectancy and infant mortality, children's educational performance, teenage births, homicides, imprisonment rates, and social mobility (Wilkinson & Pickett, 2010:19). Here, I highlight only two examples from their second book (2018). The first is a study from

USA, where they say that cognitive deficits in children from poor families are created than being inborn. This study used MRI scanners to scan children's brains up to seven times each between the ages of five months and four years. Comparing children from high-, medium- and low-income families, it found that children in lower-income families had lower volumes of grey matter ... which is essential for cognition, information processing and behavioural regulation. Although there were not clear ordered differences at five months, by four years of age the volume of grey matter was around 10 per cent lower among children from less well-off families compared to the most well-off group. (Wilkinson & Pickett, 2018: ch 6)

They add that these differences were not accounted for by infant birth weight, early health, or by differences in head size at birth. Nor were they explained by other risk factors.

The second example from the same publication, is shown below in figure 2. It is about prevalence of mental illness in more unequal rich countries. The more unequal the income inequality, higher is the prevalence of mental illness.

Figure 2: Prevalence of Mental Illness in more Unequal Rich Countries

Source: Figure 2.2, Wilkinson & Pickett, 2018

This makes us ask as what about India, which has high inequality. Are there studies to show such kinds of correlation? Only in the last few years, studies have been published to show how social inequality is affecting health.

The first study is on caste discrimination and stunting (children below 5 years, whose height is below acceptable range of global variation). Deshpande & Ramchandran (2021), point out that India has one-third of all stunted children in the world and this incidence is higher than Sub-Saharan Africa (SSA). Poverty accounts for stunting; but India is richer than countries of SSA. Then why this anomaly, they ask. They use NFHS-4 data (2015-16) to state that when stunting data is disaggregated by caste and religion, then the divergence gets explained. They analyse the NFHS data in terms of four categories - Upper Caste Hindus, SC-STs, OBCs, and Upper Caste Muslims. They point out that, *rates of stunting are far lower among UC children. 31 percent of children in SSA are stunted. With a stunting incidence of 26 percent, UC-Hindu children are 5 percentage points less likely to be stunted than children in SSA. 40, 36 and 35 percent of the SC-ST, OBCs and UC-Muslim children, respectively, are stunted. Thus, the SC-ST, OBCs and UC-Muslim children are 14, 10 and 9 percentage points, or 35 to 50 percent, more likely to be stunted compared to the UC-Hindu children.*

They conclude that widespread but illegal (caste) discrimination in service provisions explains the differential health outcomes.

The second study is of Vyas, Hathi & Gupta (2022) which uses SRS data of 2010 & 2011 of nine states- Assam, Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Odisha, Rajasthan, Uttar Pradesh, Uttarakhand- to estimate variations in life expectancy according to social background. The four categories they use comprise of “*other backward classes and high castes, and three marginalized social groups: Adivasis (indigenous peoples), Dalits (oppressed castes), and Muslims. The three marginalized groups experience large disadvantages in life expectancy at birth relative to higher-caste Hindus. Economic status explains less than half of these gaps.*” They

conclude, these large disparities underscore parallels between diverse systems of discrimination in India which is akin to racism.

Both these studies have now raised more questions about discrimination and its consequences on other aspects of health, be it mental illness or infant mortality or other illnesses.

IV

In the last decade, the increase in carbon footprint has become a cause of global concern. It is now common knowledge, that the carbon footprint of green-house gases (collectively and per capita) of developed countries is higher than those in developing countries like India or in SSA. Recently, the WID report of 2022 (Chancel, et al.:2021) points out that the carbon footprint by the rich is much higher than of those below in income level. Piketty (2022:25) points out that for the period 2010-18, “*of the 1 percent of the planet who emit the most carbon, almost 60 percent reside in North America.*” He further says that, “*their total emissions are higher than the total emissions of 50 percent of the planet, who emit the least.*” While this is the picture at the global level, there is also a variation within countries. The wealthier the person, higher is the green-house gas footprint. So, in India, even though the total per capita green-house gases foot print is low, but owing to wealth and income differences, the foot print of the rich and wealthy is very high. The top 1% emits 16 times more than the middle 40% and 32 times more than that of the bottom 50%! (Chancel, et al.: 2021:198)

As environmentalist Sunita Narain (2023) points out, “*that as we get richer (in India), we may also wish for a global middle class lifestyle (the American way), which has now become the benchmark of wealth and modernity. And even if we do not reach the obscene consumption as the other middle class, our sheer numbers will add up to leave the same impact.*”

To conclude, the neoliberal path of development has resulted in new issues of concern in India and in the world. It is not only perpetuating inequality, injustice, and exclusion, but is also having negative

consequences on health and well-being of a very large section of humanity. Further, this path of development is based on a lifestyle which has high carbon foot print. This makes it imperative to look for alternatives. The need is to focus on ‘social development’ which is participatory, decentralised, sustainable, just and inclusive. For this, the Indian state must take the lead in this matter.

Note

**Earlier versions of this paper have been presented as keynote address and in lectures in various academic institutions.*

References

- Berthoud, G.: 2010: “Market” in *The Development Dictionary* edited by Wolfgang Sachs. Zed Books, London and New York. pp. 75-94
- Chancel, L., et al. :2017: *World Inequality Report2018*. World Inequality Lab. Paris
- 2021: *World Inequality Report 2022*. World Inequality Lab. Paris.
- Comeliau, C.: 2002: *The Impasse of Modernity*. Zed Books, London.
- Cox, H.: 2016: *The Market as God*. Harvard University Press.
- Deshpande, A.& Ramachandran, R.: 2021: “The Missing Piece of the Puzzle-Caste Discrimination and Stunting. Centre for Economic Data & Analysis.” https://ceda.ashoka.edu.in/the-missing-piece-of-the-puzzle-caste-discrimination-and-stunting/?print_page=true Accessed August 1, 2023
- Escobar, A.: 1995: *Encountering Development – The Making and Unmaking of Third World*. Princeton University Press.
- Narain, S.: 2023: Editorial, *Down to Earth*. June 1-5. Centre for Science and Environment, New Delhi
- Oxfam:2020: *Time to Care*. January
- 2022: *Inequality Kills- India Supplement2022*.
- Piketty, T.: 2014: *Capital in 21st Century*. Belknap Press, Mass.
- 2022: *A Brief History of Equality*. Belknap Press, Mass.

Rist, G.: 2008: *The History of Development- From Western Origins to Global Faith*. Zed Books, London & New York.3rd edition

Sachs, W.: 2000: *Development -The Rise and Decline of an Ideal*. Wupperthal papers. Source: <https://epub.wupperinst.org/frontdoor/deliver/index/docId/1078/file/WP108.pdf>

Sachs, W.: 2010: “Introduction” in *The Development Dictionary* edited by Wolfgang Sachs. Zed Books, London and New York. pp. xv-xx

Sandel, M.: 2012: *What Money Can’t Buy*. Allen Lane.

Stiglitz, J.: 2011: “Of the 1%, by the 1%, for the 1”. *Vanity Fair*. Source: <https://www.vanityfair.com/news/2011/05/top-one-percent-201105> Accessed August 16, 2023

UNDP (United Nations Development Programme): 2013: *Human Development Report 2013 – The Rise of the South: Human Progress in a Diverse World*. New York.

Vyas, S., Hathi, P. & Gupta, A.: 2022: “Social disadvantage, economic inequality and life expectancy in nine Indian states”. *PNAS*, Vol119, No.10 (Source: <https://www.pnas.org/doi/full/10.1073/pnas.2109226119>). Accessed August 1, 2023.

Wilkinson, R., and Pickett, K.: 2010: *The Spirit Level- Why Greater Equality Makes Societies Stronger*. Bloomsbury.

2018: *The Inner Level- How More Equal Societies Reduce Stress, Restore Sanity and Improve Everyone’s Well-being*. Penguin.

Zuboff, S.: 2019: *The Age of Surveillance Capitalism*. Public Affairs.

Dr. N. Rajaram is Former Professor, School of Social Sciences, Central University of Gujarat

Email: rajaram.bdq@gmail.com
