Unit-5 – Economy & Society

**Economic System (E .SYSTEM)**

- **E. System**
  
  Production & distribution of goods & services that are scarce in supply in society.

- Organised distributional exchange (Otherwise disproportionate access to commodity)

- Karl Polanyi (Hungarian)

  3 types of exchange:
  1. Ceremonial / reciprocal exchange
  2. Redistribute
  3. Market exchange

  1. takes place below social equals or nearly equals

  [Diagram showing symmetrical exchange.
  
  Malinowski (S) Trobriand slandess (reciprocity)
  
  Kula exchange (non-utilitarian reciprocal exchange)
  
  Baster trade (Utilitarian) Ginwali B. yamgrower]
  
  Pokala to tribal Chief.
  Voygua (non-utilitarian)
  Braubt (saulova)
  Necklace (Mwali)
  Marshal Shalins

  ✓ 3 types of reciprocity.
  1. Generalised – no time trame attached.
  2. Balanced = market exchange → Commensment value.
  - equal money value.
  3. negative reciprocity → among strangers in care of tribe
Economy System:

Economy. Activity it defined as a s/w of production & distribution of scarce goods & services. It there is no scarcity there ie no need for any specialized arrangement. Exchange refers to an arrangement by which scarce goods & services are distributed among the members it , an organized distribution. According to Karl Polanyi

Practical related to exchange. Can be categorised into 3 types.

1. Reciprocal / cesemonied:
   . Reciprocal social equals.
   . Below social equals.
   . Social obligation
No notion of price.

Advocals that exchange doesn’t explain the economy translation.

Among people rather it indicator the social proximity or the social distance below the people in translation. He classified reciprocity into 3 types.

1. Genualied realty
   . obligation to reciprocical soones or lates.
   . No notion of valuation

2. Balanced realty
   . commensorats value
   . Monelied on non-monilied

3. negative realty
   . practiced in case of stranges by certain triben.realty is of utilitacian / non-utilitancian items.

   Eg: Wasi (Trobiand) Kula

2. Redistributive change :
   . asymetric type of exchange below social Unequals eg: taxation., PDS, Pokola, Potlah
   Wrigubu, jajmani.
   . jaimani system ie studied by William Wiser

   In Karinapur Village (1936) (vp). Jaimani the World come from yagaman in sanskrit.
   . Dominant caste who are involved in jaimani relationship with the occupational caste need not be ritually highest other caste who provided services to dominant caste are paid in kind during marriages. Of these occupational caste these caste work a lot for the dominant caste. But the share in not according to their work. The ties Are paternative and it creates Vertical soliclanity .
   . The bonds are huriditany Most Village lack all
   Requirements of the services So unities are not territorial M.S. Reddy S senapur Village

found that tours work both as carpuntese 4 Massenees. Barbass play a role in factional Life of Village.

S.S. Nehru Surveys more than 60 village

In up 4 found that no single village had all occupational caste for services. Jai system is peraried as a system of organisation because it provides interdeperdence 2 hence unity Social

Orenstein → Goan village

in Maharashtra found that ppl supparlid residence
of their village out her that the person form their caste in other villages.

Says that occupational caste has no choice but of independence. So it was an exploitative relationship.

I. Karle & Damle: Subeyed 12 Villages & Say Jaj system leads to Unity as well as exploitational.

3. Market exchange
   - Contractual exchange
   - Mediated through price.
   - Market value determined by factors of demand & supply
   - Exchange may be monetised are non-monetised.

**Social Determinants of Economic Development:**

(non economic factors influencing)

In his study of Division of Labour 1st studied these social determinants.

Classical economists View of Division of Labour

- Low Division of labour
  - Skills – Simple
  - Division of labour – ascriptional
  - Family – joint
  - Educational – informal (culture Content)
  - Non utilitarian
  - World View – religion

Adam Smith & Ricardo: economic view of Labour Division of Labour

- High Division of Labour
  - Complex
  - Achievement
  - Nucler
  - Formal (Science), & tech.
  - Utilitarian educational
  - Science.

Emile Durkheim

- Low Division of labour
  - Acheivement – less
  - Economy – Subsistence
  - Population
    - unfortunity)
  - organic (unity – interdep
  - Moral density – international below
  - Material density – qualification
  - Economy – polycentric

Oswas Lewis & Beidleman

- High Division of Labour
  - More.
  - Surplus.
  - Solidarity – Mechanical (unity –
  - Material density – qualification of Population>

Economy – unicentric
Marriage - Sacrament
Social production dependent.
(no anomisc)
Contract
annomisc, alinational

Other factors
1 Centralised Political authority
   - law & order maintenance.
2 Political & ability.
3 More emphasis on theory & Combined with Practice (R & D)
4 Innovations – frequent (in traditional
   Innovation are chance happening)
5 family system
6 Secular Outlook than religious outlook
7 Institutional Educational

1 Political Untrahisational

G. Myrdal

Democracy is not essential in the initial stage of economic development. It is
to have an e
Effective State because many untres of authority in democracy leads to Conflict. He says that
Japan is miled’ly
Authoritanian while & Korla is blatantly authoritasian. He criticed.
I as being not effective and therefore a soft state.

India is population than effective.

2 Competativeness
3 acheivement motivational
4 Securlarisational of World view.
5 Liberational of individual from primodical group like family &
   Lineage.

Strong primordial types hampes mobility but in I joint family & caste have been
jounel to help in economic growth. Caste associational runs institutions and provide banking
familities. In Japan
Loyality to family and to nation was converted into loyalty to company which lead to our
committed
Worker & consequently economic growth.

Yogendra Singh
doesn’t eger the niew thet

Liberation From primordial group ri necessary regarding
Irditionaly there hor brea a hexw between traditional, &
Modeimiatnl. If the prinwrdial group (survives it means
it adopts to the new records
6 Open system of stratification.Attention:

Social dimension of economic development
-> 1st pwon to give this ->

Emile Durkheim
Social Determinants of eco development.

1. Centralised nation state.
   - eg. Rupees for all purposes.

2. Law & order.

View

<Other worldly misticism m to this worlds Ascitism>

Huge oneself with other world

Eg: Hinduism Confusionsim.

Frugatits.
Mass conimpition.
Aceticism.

Too much of this will
Collapse the market ewhoncy

On thir ground, Max weber jas criticised by

Big supply production aceticism. Hence.

2. Family:
   Freedom from primodiol groups (family caste system).
   (Caste is a stumbig block for occupatimal selecction as in case of I.)

3. Education:
   Seculas – utilitarian education – fundamendal Mix up
   Of theoritical & proctical education. In formal study
   (irecrecesities should girl rise to innovation whueos in modern stis viurecsa taken place).

4. Religion:
   It should be a private affari.

5. Desecuralisation of economic:
   Secuaritic view of economy
   Eg: timing in their job.
6. Secularised World view:

**Economic Development:**
- Transfermonl. Process to make sustained economic growth.
- (low Division of labour – Subsesefaric economic
  High Division of labour – Surplus economic.)
- Sustainl economic growth studrid on baris of
  1. income (National income) not like laissesefaric economic Herc wefgone society
  2. grolity of life redistribution.
  (surplus economy more.)
  3. Indurist riacirth Mlced prars production
  Inonomelid source one nsed.

\[ \begin{align*}
\text{How surplus came} & \quad \rightarrow \quad \text{group taking that} \quad \rightarrow \quad \text{cap m enurgrd} \\
\text{Not explaited by} & \quad \rightarrow \quad \text{Private property}.
\end{align*} \]

But this was explained

But this was explained

**Gerhard Lenski**

Power inequality decides economic inequality.

**Relations of products. delides class**

<table>
<thead>
<tr>
<th>Time</th>
<th>With technically (Grech revolutionary High yield growth.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>without technically</td>
</tr>
<tr>
<td></td>
<td>Agricultural growth.</td>
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**Growth Vs redistribution:**

\[ \begin{align*}
\rightarrow & \quad 1^{st} \text{ assume. Comes growth redistributional} \\
\Rightarrow & \quad \text{emergence of enterprenes then came industries.} \\
\Rightarrow & \quad \text{redistribution} 1^{st} \text{ Growth.} \\
\Rightarrow & \quad \text{eg: communist country } \rightarrow \text{ Russia.} \\
\Rightarrow & \quad \text{State as enterprenes then it redistributes for growth} \\
\Rightarrow & \quad \text{Both grow together.} \\
\Rightarrow & \quad \text{eg. I} \\
\Rightarrow & \quad \text{Third world country are given priorities to both.} \\
\Rightarrow & \quad \text{No or less barriess for growth.}
\end{align*} \]
Rostows Model of economic development:

Work "Stages of economic development" (wh society)
"A non-communist manifesto"

Stage 1: Traditional society
1. Subsistence economy.
2. More inequality
3. Simple technicaly
4. DOL -> ascribed – age sex.

Stage 2: Precondition to take off. (PCTO)
1. Church – agency of educational.
2. Entrepreneess start their own factories because of protestart ethics.
3. Emergence of unified power untralised/untralised national state is the Preconditional for transformation from traditional to take off.
4. Emergence of educational system
5. Resistance will be there b/w old owners & new owners.

Stage 3: Take off.
1. Resistance is overcome.
2. Reinvestment of money.
3. More investment on industries.

Stage 4: Drive – to maturity.
1. Takes 40 years to reach this stage from previous stage
2. Only few societies like London went to take off stage because of its Favourable environment. (said by Rostow)
3. Money invested in big industries. (iron, coal, steel)

Stage 5: High mass consumption.
1. Post Industrial society emergences
2. Economic'g mode replaud by socialogy mode.
4. Age of mass consumption.

Traditional society:
1. Societies whose structure develops within Ltd Production & Consumption.
2. It is based on preneutionian science technically & prenuttonian Attitude to physical world.
3. Innovations are chance happening
4. Central fact about. Traditional society. The ceiling existed as the level of attainable o/p per head. This ceiling resulted from the fact that potentialities. Which flow from modern s & Ty were either not available Or not system maticaly applied.
5. Productivity remain ltd due to inaccesibility of modern science & also due to absence of frame of mind which science engenders. Due to low productivity a very large population Was devoted to food productivity .
6. This caused a hierarehcial social strff. With little scope of vertical mobility.
7. family & clan connection played & large role in social original.
8. Whole value system was grared to long range fratality (stratic perceptnl of social
world)
9. Even if untral rule existed the unto of gravity of political power laid in the hands of those who owned the region. The untral power was susuptible to the influence of regional power, eg: Dynasties of china, mediral I, mediral Europe etc.

2 -> **Precondition for take-off:**
1. These developed in Western Europe in late 17\textsuperscript{th} & early 18\textsuperscript{th} Country
   Into new products is., both agriculture & industry new m/c s Increased the productivity in the society.

2. Lateral expansion of world market stared. Among western European states. Britain was most favoured because of geography natural resource, trading possibilities, social & political starts. Britain was the 1\textsuperscript{st} to develop precondition to take off. The idea spread that not merely economic progress is Possible but progress is a necessary conditional for general Welfare, better hiring, healthy growth of children & National integrity this belief of desirability of progress Was promoted by enlightenment thinless. Educational for some would broaden is, Beginning of Growth of modern education. Enlightenment becomes Utilitarian & integrated with this worldly needs to Suit modern needs. Max Weber
   Says that protestantion also played a role in this aspect. Church became primary agency of educational which lead to spread of literacy & consequently skilled labourers & new type of mindset develops is., intesnely occupied with this worldly affair, rest taking & enterprueharial mindset is., growth 1\textsuperscript{st} & redistributes later.
   Neel.I.Smelsier says that what Protestantism was to the west nationalism was to the east. By 16\textsuperscript{th} century Jews started developing informed banking. By 18\textsuperscript{th} century Banking became institutionalised to supply capital to The enterprenues. Here and there modern manufacturing industries develop How methods but all these activities proceeds at Ltd pare & the stys stll is char /d by traditional Low productivity methods old social started & values Persist. The turn’g point from preconditional for Take off to take off is the politically building of effective Centralized nation state which was a decisive effect Of a preconditional period because it brought uniformly To the take off stage. In west effective nation state followed 1\textsuperscript{st} & Nm later & daily in the end.

3 **Take off:**
1. If is the interval when old blaks & resistanecs to steady growth are finally oreseome. Forces Making for economic progress which were confined to few enelaves now expand & dominate the society. Continuous growth comes its normal condition. Compound interest becomes built-in in the habits and institutional strfts. During the take-off otage industries expand yielding profit, A large portion of which is reinvested in new industries which in turn stimulate thru their rapidly expanding requirement for factory worked, the services to support them.

2. Expansion of 3\textsuperscript{rd} sector like housing, health care etc. the new class of entupres expands & it Directs the expanding flow of investment in private. Sector the economy exploits new resources & new methods of producional. New feebly spreads in agriculture & industry heading to Commercialiational of agricultural (captitahitic transformation of agriculture)

3. the revolutionary changes in agricultural productivity me essential conditions for successful take off. In a decade or 2 the basic structure. Of economy as well as social & political
structure are transformed in such a way that a steady rate of growth can be sustained. Called this as rationaliation of social life. Which leads to rationaliation of economic life.

4 Drive to Maturity.

After the take off stage. There follows a long interval of sustained progress as the economy drives to external modern technically ores the wholefront of economic activity. Upto 20% of national income is steadiy invested. Structure Of economy changes as ofp regulady out strips increased in population. New industries rise up & old industry level off. Rougly 40 years after the ends of take-off maturity is generaly attained. Industries take-off stage are narrow range. Coal, iron, heavy engenering. Railways etc become e products by the time drive to maturity is complete. W enrope reached this stage by early 1920’s.

5 Age of high mass consumptional.

Consumer duables are e items. Conspicous consumptional due to income rise. Service sector xpands. Larger share comes from service sector. As society. Achieved mobility in 20th by, pucapita income rose to a level where majority of population Gained command over consumptional. Which transunded the bassiess of food. Clothing & shelter. Stratification Of working class changed so that not only the proportion of urban population. to total population d but the proportion of population Working in offices or skilled factory tobs d drastically. Social welfare comes oresiding objectivity. One manifestational of society. Moving beyond technical is welfare state (redistributional.) Growth tends to slow down & concern is society on redistributional. Consumu novergnity resign & service are diffused on mass basis. This stage was ores by the end of world ware.II

Criticism against Rostow:

Andhra G. Frank
Gunder

Says that it is xplicit in his model that under development is the original stage of traditional society. No stage prior to it was identified. Western societys had a history so it jumped of but I, Was colonialised Rostow ignored colonalisational. Which Lead to the arrest of economic development in developing systems. While those of Western Nations had accelerated development. It was not latical expansion of market but Was plundered.

Dependency School:

1. Andhre Gundar frank
2. Gunnar Myrdral B “Anceint Drama”

When no Economy. Development in 3rd world systems then go Back to its history that whether the country is subjected to any colonialism Theme “development of under development” (because of colonial power
Types of systems & its Economies:

Population

Inequality

Patriarchal authority

Patrimonial authority

Wheat-more

Rice-less

Adranual

industry

Gathering

pastoral

domestical of

Hunt’g &

Hoad’g

Horticulture

Agri

industry

industry

Fertility

inquality

fertility

Mortality

Mortality

Population-stable

Surper-non existence

Surplus

population xploasim

Religion

Magico

Animism

Great

Religion

Seet

Culture (eg: seribaba)

Kinship

Companionation

Family

1 2 3 4 5 6

1 2 3 4 5 6

1 2 3 4 5 6
**Controlled economy:**
- state controls the market
- equitable distributional of goods to all.
- In name of controlling the market it becomes totalitarian society.
- IIIrd to communist society.

**Market economy:**
- Good & services – surplus.
- Free economy
- Jajmani system ended <exploitative, no mobility>.

J. Karkve & Damle → Said that jajmani system wanted to continous in some regions Where they studied. So still existing.

William Wiser → Interdependence of the caste maintains solidarity.