Conceptualising and measuring development

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In this article Lyndon Kleeman examines the relationship between how development is conceptualised and how it is measured. In doing so he reflects on the criteria we used to measure development and why it is measured that way. He also investigates the implications this has for our understanding of development and for development policy and practice using India as an example.

Development is a contested term. It can be conceptualised as simply the outcome of economic growth or it can be understood in terms of an ongoing, dynamic, socio-economic process, the aim of which is a sustained improvement in peoples"quality of life (or wellbeing) as perceived by those affected by change. Approaches to development focusing solely on the pursuit of economic growth typically draw on a range of quantitative indicators to measure the rate of economic expansion and to compare countries. Those supporting a more human-orientated approach place greater emphasis on composite measures and those that provide qualitative insights into the impacts of the development process on places and people.

India provides a range of interesting insights into how development is both conceptualised and measured, and the manner in which development is pursued both in terms of policy and practice. It also, shows how aggregated quantitative data often obscures a range of spatial and social inequalities. In the absence of an effective redistributive mechanism not all people and places benefit equally. India remains burdened by a range of what Sen (2000, p. 3) refers to as "unfreedoms" – factors that limit the life choices people are able to make.

From an economic rationalist perspective, development is typically seen as a process driven by deregulated, market-orientated economic growth with the private sector playing the dominant role. This perspective stands in stark contrast to the more 'progressive' orientations found in the development geography literature and the approach advocated by the majority of non-government aid organisations (NGOs). Such groups typically argue that development should be an ongoing, dynamic process by which individuals, acting within the context of communities, are empowered to use the community's knowledge and skills to sustainably enhance (and share) a community's resources and to bring about positive change for the benefit of all its members. Consistent with the views expressed by Esteva (1992), Jones (2000) and Thomas (2008) development is best defined in terms of the realisation of rights, especially economic, cultural and social rights aimed at eliminating poverty, inequities, suffering and injustice.

Sen (2000), Potter, Binns, Elliott and Smith (2008), and Thirlwall (2008) are also among those who argue for a broadening of the concept beyond a narrow focus on the economic. Sen, for example, while acknowledging the importance of economic benchmarks, argues for an expansion of the definition of development to include factors such as political freedoms, social opportunities and guarantees of personal security. He also stresses, as noted above, the need to eliminate "unfreedoms". These include poverty, malnutrition and starvation; tyranny and repression; the denial of economic opportunities; child labour; and social deprivation. Freedoms are, according to Sen (2000, p. 3) "not only the primary ends of development, they are among its principal means."

O'Hean (2009), reflecting on the contribution of Sen to the development debate, argues that there is a growing recognition that policies and practices of development, that recognise and emphasise the collective rights of communities, women, and the poor, need to be pursued as an alternative to the 'possessive individualism' that has accompanied the liberalisation of world trade and deregulation of global finance – a process described as leading to the breakdown of community an the loss of capacity and capability.

The privileging of economic growth, at the expense of alternative models of development is, according to Estava (1992), a reflection of Western hegemony over the rest of the world. Development is seen as being grounded in colonial discourses that portray the North as "advanced" and "progressive", and the South as "backward". It is not surprising therefore that many countries, including India, have sought to model their development policies and processes after that employed by developed countries. Often ignored in such an approach is the importance and potential of local context and capacity. Significantly, the nature of development embraced, determines the indicators used to measure development.

Conceptualisations of development that focus on 'economic growth' often rely on quantitative measures of national progress and wellbeing. However, measures such as per capita Gross National Product (GNP) have been criticised as failing to accurately measure

economic activity, especially in developing countries where much of the activity takes place outside the formal economy or where data collection processes are under-resourced. Other quantitative measures used to measure growth include unemployment rates and energy consumption per capita. Such production-based indicators can be used to rank countries on the basis of their relative economic development. However, they tell us very little about the spatial and social inequalities in the distribution of benefits derived from economic growth and they tell us nothing about the qualitative dimension of human wellbeing outlined above.

Multiple component (or composite) measures such as the United Nation's (UN's) Human Development Index (HDI) allow for a range of developmental factors to be taken into account when measuring human wellbeing or progress. In the case of the HDI, these factors are life expectancy, education and income. The index is not, however, without its limitations. While it allows for easy comparisons between countries on an aggregate of the indicators it does not provide an indication of the relative performance of each of the components. It also tells us little about inequalities in wellbeing within countries.

In order to address the latter criticism, the UN has developed the Inequality-adjusted Human Development Index (IHDI). This index not only seeks to measure of the level of human development of people in a society, it also takes into account inequality. Under perfect equality the IHDI is equal to the HDI, but falls below the HDI when inequality rises. IHDI is, therefore, a measure of actual level of human development (taking into account inequality), while the HDI can be viewed as an index of the potential human development that could be achieved if there is no inequality (United Nations Development Program, 2008).

Other composite measures include UNDP's Multidimensional Poverty Index and its various gender-based indexes. Examples of the latter include the Gender-related Development Index (GDI), which 'discounts' the HDI for gender inequalities in its component indicators and the Gender Empowerment Measure (GEM), which measures gender inequality in terms of political and economic participation.

The UN and its agencies are not the only organisations seeking to develop composite measures of human wellbeing. Another such body is French-based Commission on the Measurement of Economic Performance and Social Progress (sometimes referred to as the Stiglitz-Sen-Fitoussi Commission). The Commission's aim is to expose the limits of GNP as an indicator of economic performance and social progress and develop multi-dimensional measures of human wellbeing. In doing so, the Commission advocates a shift in emphasis away from measuring economic production to an assessment of a range of quantitative and qualitative development indicators including material living standards (income, consumption and wealth); health; education, personal activities including work; social connections and relationships; environment (present and future conditions); and insecurity, of an economic as well as a physical nature (Stiglitz, Sen, & Fitoussi, 2008). Another example is the Genuine Progress Indicator (GPI), published by Genuine Progress. This index measures the health of a nation's economy taking into account environmental and social factors which are not measured by GDP.

As noted above, India provides a range of valuable insights into how development is both conceptualised and measured, and the manner in which development is pursued both in terms of policy and practice. In the period post-independence (1947-1991), India embraced a 'mixed economy' model of economic development that combined features of both capitalism and socialism. Protectionism, import substitution and the promotion of state-owned enterprises were a feature of the country's development policy and practice. In 1991, however, India embraced a more liberal, free-market, model of economic development with the government investing heavily in the infrastructure needed to promote economic growth. Economic growth rates increased, as did per capita incomes. The growth rate peaked in 2010 at 10.5 per cent before declining sharply to 6.3 in 2011 and 3.2 per cent in 2012 (World Bank, 2013a). India's engagement in international trade has also increased. In 2011–12 foreign trade grew by 30.6 per cent (Reserve Bank of India, 2012).

Today, India's economy is the world's tenth largest as measured by nominal GDP (IMF, 2012). It is, however, 141st ranked on a per capita basis. With a population growth rate of 1.58 per cent (well above the global rate of 1.14%) improving the latter measure remains a significant challenge. Unemployment remains relatively high at 9.8 per cent (2010-11) and India's central government debt stands at 48.4 per cent of GDP, which is the highest among the emerging economies (World Bank, 2013b).

Qualitative indicators further highlight India's development challenge: Life expectancy stands at 65.8 years, mean years of schooling just 4.4 years; the country's Gender Inequality Index score is 0.61; its HDI ranking is 136 (score 0.554); and its Inequality-adjusted HDI value is 0.393 (UNDP, 2013). The extent to which the IHDI falls below the HDI is an indicator of the inequality

still evident in Indian society. Other indicators also highlight the challenge India faces. For example, media reports of a 2011 survey conducted by India's Central Pollution Control Board note that just 160 out of nearly 8,000 towns had sewer systems and sewage treatment plants. Over 600 million Indians lack even primitive toilet facilities (Mail & Guardian, 2013).

While some progress has been made in reducing poverty in India significant inequalities still exist both within societal and spatial context. According to the World Bank's international poverty line methodology, India's poverty rate declined from 37.2 per cent of the population in 2005 to 29.8 per cent in 2010. When the poverty headcount ratio at $1.25 a day (PPP) is used, the decline has been from 41.6 to 32.7 per cent. However, when the poverty headcount at $5.00 per day (PPP) is used, the reduction in poverty is relatively insignificant – a marginal decline from 97.3 per cent in 2005 to 96.3 per cent in 2010. In absolute terms, 394.0 million Indians lived in poverty in 2010, down from 469.3 million in 2005. In terms of income distribution, the richest 20 per cent of Indians account for 52.81 per cent of income, while the poorest 20 per cent make do with just 8.54 per cent (World Bank, 2013c).

There are also significant spatial differences in income and GDP per capita. In rural India, about 34 percent of the population lives on less than $1.25 a day, down from 44 percent in 2005; while in urban India, 29 percent of the population lived below that absolute poverty line in 2010, down from 36 percent in 2005, according to the World Bank (2013c). On a state-by-state basis, the gap in GDP per capita range from INR 192,652 in the state of Goa and 175,812 in Delhi, to just INR 24,681 in Bihar (Trak.in, Undated).

Also relevant here is the historical dimension. Traditionally, India has been one of the world's most ethnically and linguistically diverse regions. This diversity and the sub-continent's division into small kingdoms aided the British control of the sub-continent. When the British departed after almost 250 years they left behind 562 princely or native states alongside the nine states where they had established elected assemblies. India consolidated these entities into larger political entities in the years following independence. But the political domination by the majority community or caste within the existing states has resulted in uneven patterns of development. There has been a tendency for majority groups to ignore areas inhabited by ethnic and linguistic minorities. The resulting lack of development has become a major political and social issue. In recent years the demand for greater political and economic autonomy by minorities has resulted in calls for the creation of smaller states. There is now a widespread view, supported by Bharatiya Janata Party (India's largest opposition party), that smaller, more culturally homogeneous states, are better governed and result in more even patterns of development (Jha, 2013).

The nature of India's economic development has also had an important impact on the peoples' wellbeing. India's focus has been on the promotion of corporate services such as telephony and ICT rather than on developing the country's manufacturing base. As a result, large segments of the Indian population have been excluded from the development process. In opening its markets, India's small-scale self-employed population (a large percentage of which are Muslims) has especially been disadvantaged. The Human Development Report, Planning Commission of India (2011), highlights the extent of these culturally based inequalities. One-third of the 200 million Muslims living in India continue to live below the poverty line. More generally, the top five percent of Indian households hold 38 per cent of total assets while the bottom 60 per cent own just 13 per cent.

India's model of development has not been with out its critics. Nielsen (2010), however, is among those who argue that opposition to India's focus on industrialisation through private capital has, for the most part, been rather muted. Rather than promoting alternatives to the 'neoliberal' post-reform model of development, protest groups tend to mobilise around industrial developments they perceive as threatening water quality or involving the acquisition of contested land. Such protests should be seen as part of a broader effort to "civilise rather than substitute contemporary forms of capitalist development to ensure that some of the benefits trickle down (p. 145).

India's economic and social progress highlights the complexity of conceptualising and measuring development. The focus on quantitative (production-based) indicators of economic growth, while reflecting the current market-orientated development policy approach embraced by the Indian Government, fails to provide an insight into the spatial, social and cultural inequalities still apparent within the country. While India has experienced relatively high rates of economic growth over the past decade or so many minorities (and regions) appear to have been marginalised by the policies and processes pursued.

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