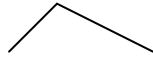


Unit-5 – Economy & Society

Economic System (E .SYSTEM)

→ E. System



Production & distribution of good & services that are Scarce in supply in society.

→ Organised distributional → exchange
(Otherwise disproportionate access to commodity)

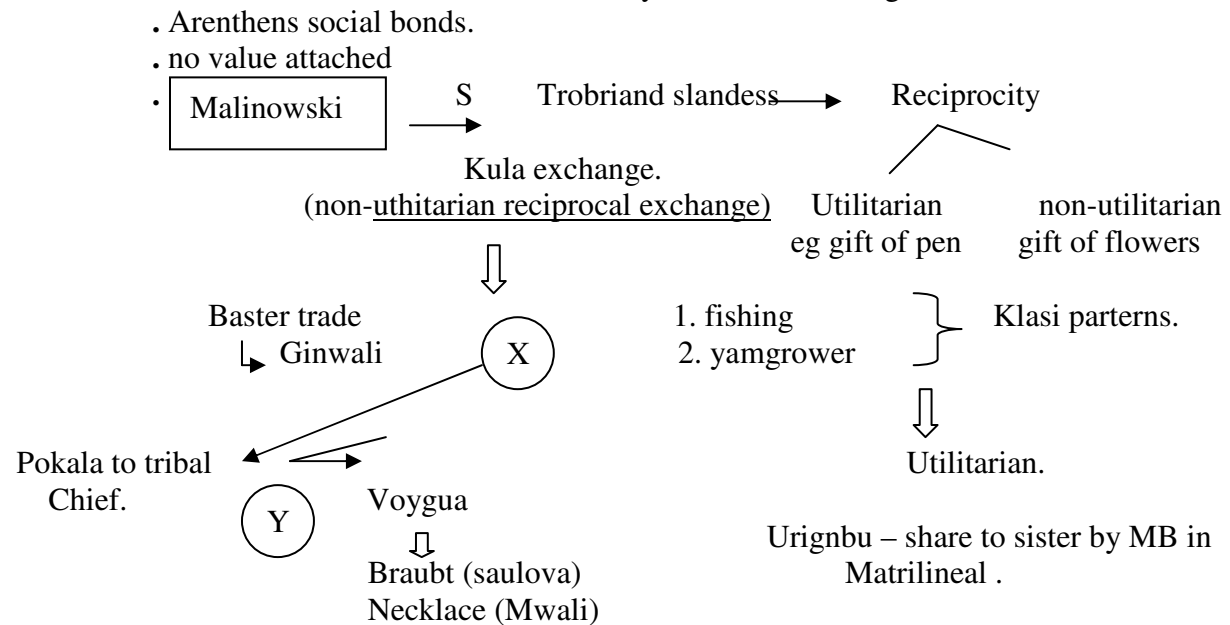
-> Karl Polanyi (Hungarian)

3 types of exchange:

1. Ceremonial / reciprocal exchange
2. Redistribute
3. Market exchange

1 ⇔ . takes place below social equals or nearly equals

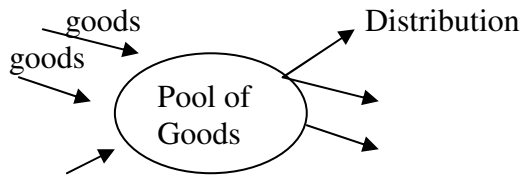
↓
Symmetrical exchange.



Marshal Shalins

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

- during warfare.
- ✓ Economic translation – not reflects economic. Dimension but social dimension
- reflects social distance & social proximity
- ✓ Sociological dimension to transact.
- 2 ⇨ . pokala → form of redistribute exchange.



Reciproduction
≠
Reciprocal exchange.

- . Jajmani system
- . below unequals – asymmetrical exchange.

Franz boas - potlatch usemony – kawakitul (Canada)

- ✓ case of prestige economy. (breaking of cu plate)

- conspicuous consumption.

- 3. ⇨ . contact
- . no social obligation. But only mutual consent.
- . can be of cash & kind

General purpose money

Special purpose money

⇓
Universal standard

⇓
no university. standard. Eg. Baster system

Paul bohanen

- ✓ 2 types of market exchange
 1. Monehied – general purpose money
 2. Non Monehied – special purpose money
- ✓ Polycentric → both cash 2 kind in that society.
- Unicentric → either cash or kind in that society.
- . below strangess.
- . targeted people or customers.

⇨ Economy System:

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

Karl Polanyi

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

1. Reciprocal / cesemonied:
 - . Reciprocal social equals.
 - . Below social equals.
 - . social obligation

. No notion of price.

Marshal Shalins

Advocates that exchange doesn't explain the economy transition.

Among people rather it indicates the social proximity or the social distance between the people in transition. He classified reciprocity into 3 types.

1. Generalized reciprocity

- . obligation to reciprocate sooner or later.
- . No notion of valuation

2. Balanced reciprocity

- . commensurate value
- . Monitored on non-monitored

3. Negative reciprocity

- . practiced in case of strangers by certain tribes. reciprocity is of utilitarian / non-utilitarian items.



Eg: Wasi (Trobriand) Kula

2. Redistributive change :

- . asymmetric type of exchange below social Unequals eg: taxation., PDS, Pokhara, Potlatch
- . Wrigubun, jaimani.
- . jaimani system is studied by

William Wiser

In Karinapur Village (1936) (vp). Jaimani the World come from yajaman 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 is not according to their work. The ties are patron-client and it creates Vertical solidarity.
- . The bonds are hereditary Most Village lack all

Requirements of the services So unities are
not territorial M.S. Reddy S senapur Village

found that towns work both as carpenters 4
 Massenaes. 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 perceived
 as a system of organization because it provides interdependence
2 hence unity Social

Orenstein

→ Goan village

in Maharashtra found that ppl support residence

of their village out her that the person form their caste in other villages.

Oswas Lewis & Beidleman

Says that occupational caste has no choice But of independence . So it was an exploitalre relationship

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

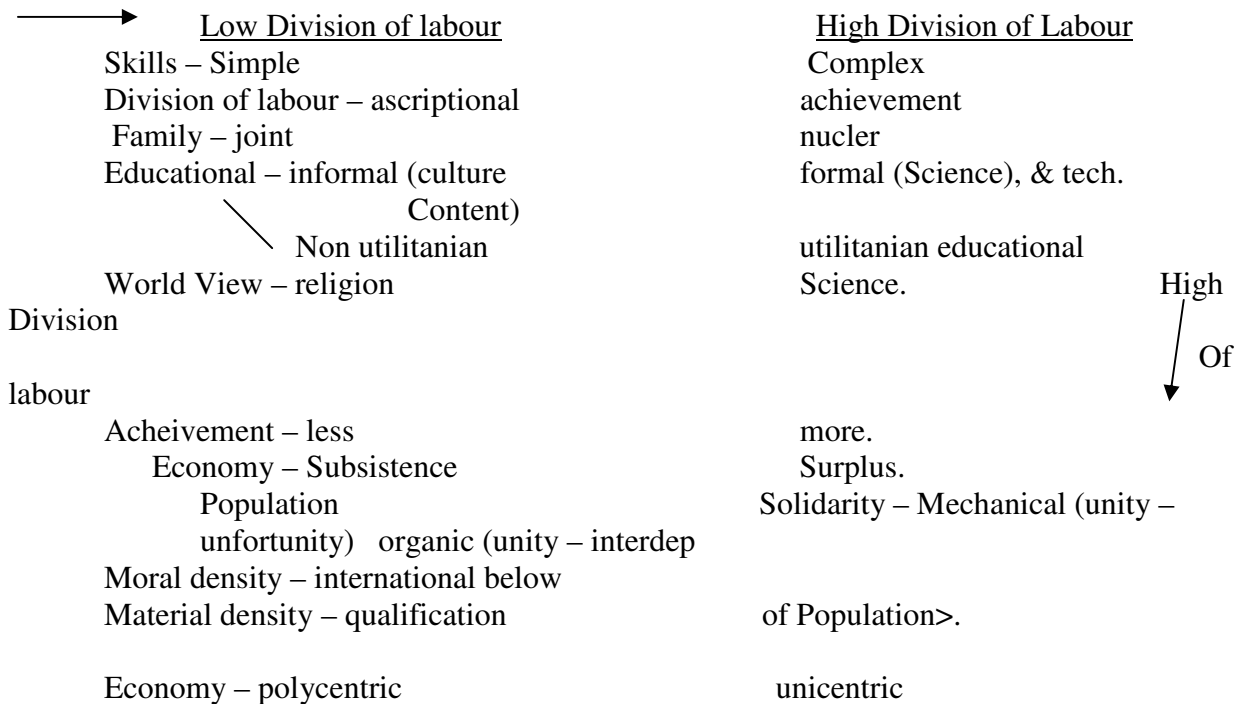
3. \Rightarrow Market exchange
- . Contractual exchange
 - . Mediated through price.
 - . Market value determined by factors of demand & supply
 - . exchange may be monetised are non-monetised.

Social Determinants of Economic Development:

(non economic factors influencing)

Emile Durkheim \rightarrow In his study of Division of Labour 1st Studied these social determinants.

\rightarrow ed Classical economists View of Division of Adam Smith & Ricardo economic view of Labour Division of Labour



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

- 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 better to have an effective State because many centres of authority in democracy leads to Conflict. He says that Japan is milderly Authoritarian while & Korla is blatantly authoritarian. He criticized. It is being not effective and therefore a soft state.

India is population than effective.

- 2 Competativeness
- 3 achievement motivational
- 4 Secularisation of World view.
- 5 Liberation of individual from primordial 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 families. In Japan Loyalty to family and to nation was converted into loyalty to company which lead to our committed Worker & consequantly economic growth.

Howver Yogendra Singh doesn't eger the niew that

Liberation From primordial group ri necessary regarding Iroditionaly there hor bre a hexw between traditional, & Modeimiatnl. If the prinwrldial 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 ->

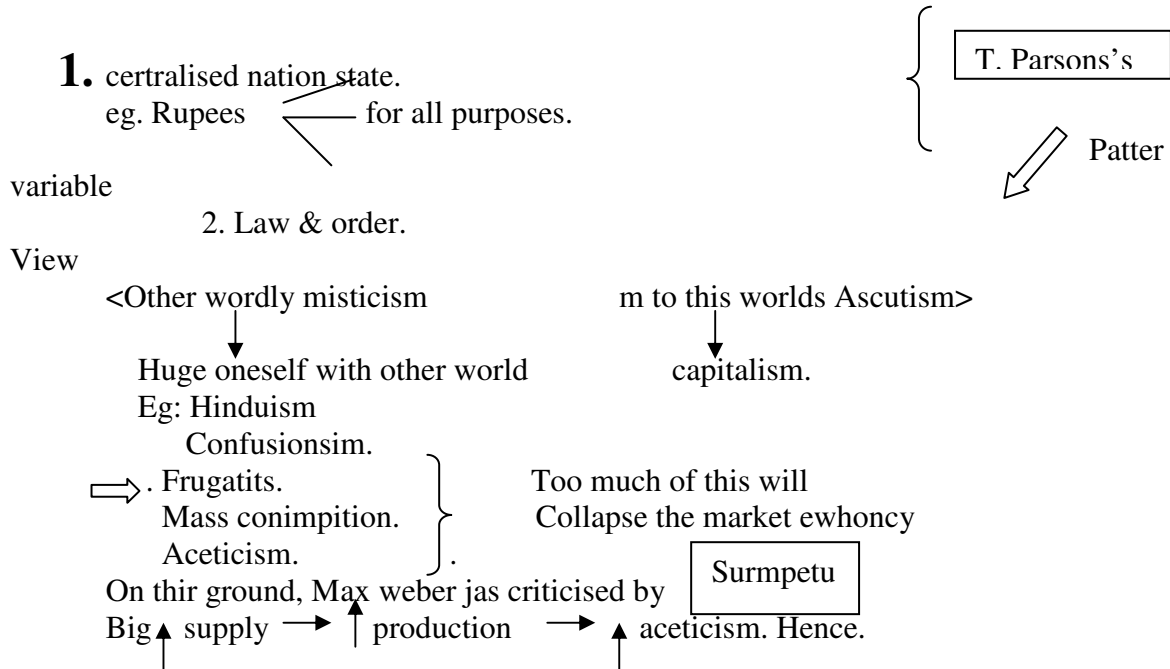
Emile Durkheim

Emile Durkheim : Division of labour consequences on both social & eco. Sector.

Adam Smith : Industrial growth → economy growth → progress of cy

E.D : , ew.
 , Factor → social progress.

Social Determinants of economic development.



2. Family:

Freedom from primordial groups (family caste system).
 (Caste is a stumbling block for occupational selection as in case of I.)

3. Education:

Secular – utilitarian education – fundamental Mix up
 Of theoretical & practical education. In formal study
 (increasingly should give rise to innovation whereas
 in modern states vice versa taken place).

4. Religion:

It should be a private affair.

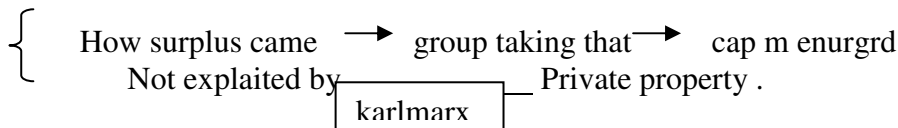
5. Secularisation of economic: Secular view of economy

Eg: timing in their job.

6. Secularised World view:

Economic Development:

- transfermotnl. Process to make sustained economic growth.
- (low Division of labour – Subsistence 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 → Mlcsed prars production
— Inonimelid source one used.

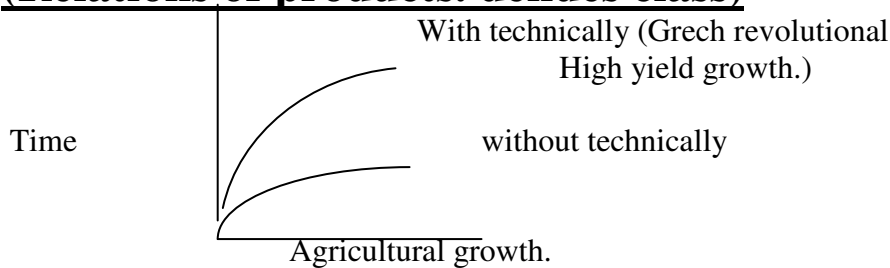


But this was explained Gerhard Lenski



Power inequality decides economic inequality.

(Relations of products. delides class)



Growth Vs redistribution:

- > 1st assume. Comes growth ⇌ redistributional
eg: USA.
- emergence of enterpreneces then came industries.
 - redistribution 1st ⇌ Growth.
eg: communist country -> Russia.
State as enterpreneces then it redistributes for growth
- Both grow together.
eg. I
Third world country are given priorities to both.
No or less barriess for growth.

Rostows Model of economic development:

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

Stage1: Traditional society

- 2: Precondition to take off. (PCTO)
3. Take off.
4. Drive – to maturity.
5. High mass consumption.

1 ⇒

- ✓ Subsistence economy.
- ✓ More inequality
- ✓ Simple technicaly
- ✓ DOL -> ascribed – age sex.

2 ⇒

- ✓ Church – agency of educational.
- ✓ Enterprencess start their own factories because of protestant ethics.
- ✓ Emergence of unified power untralised/untralised national state is the Preconditional for transformation from traditional to take off.
- ✓ Emergence of educational system
- ✓ Resistance will be there b/w old owners & new owners.

3 ⇒

- ✓ Resistance is overcome.
- ✓ Reinvestment of money.
- ✓ More investment on industries.

4 ⇒

- ✓ Takes 40 years to reach this stage from previous stage
- ✓ Only few societies like London went to take off stage because of its Favourable environment. (said by Rostow).
- ✓ Money invested in big industries. (iron, coal, steel)

5 ⇒

- ✓ Post Industrial society emergences
- ✓ Economic'g mode replaud by sociology mode.
- ✓ Mass products/. – conspicuously consumed life style.
- ✓ 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 matically applied.
5. Productivity remain ltd due to inaccessibility 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 hierarehical social strff. With little scope of vertical mobility.
7. family & clan connection played & large role in social original.
8. Whole value system was gared to long range fratilism (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 17th & early 18th Country
Into new products is., both agriculture & industry new m/c s Increased the productivity in the society.

2. Lateral expansion of world market stered. Among western European states. Britain was most favaued because of geography natural resource, trading possibilities, social & political starts. Britain was the 1st 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 Max Weber comes Utilitarian & integrated with this worldly needs to Suit modern needs. 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 miadset developes is., intensirely occupied with this worldly affair, rest taking & enterpreuharial mindset is., growth 1st & redistributes later.

Neel.I.Smelser

says that what Protestantism was to

the west nationalism was to the east. By 16th century Jews started developing informed banking. By 18th 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 still 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 1st & Nm later & daily in the end.

3 Take off:

1. If is the interval when old blaks & resistaneecs 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 3⁰ sector like housing, health care etc. the new class of entupres expands & it Directs the xpanding flow of investment in private. Sector the economy exploits new resources & new methods of productional. New feebly spreads in agriculture & industry heading to Commercialiatonal of agricultural (captitahitic transformation of agriculture)

3. the revolutionary changes in agricultural productionivity me essential corditions for successful take off. In a decade or 2 the basic structure. Of economy as well as social wehu & political

structure are transformed in such a way that a steady rate of growth can be sustained. Called this as rationliational 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 steadily 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 generally 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. Conspicuous 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 bassiness 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 oresriding 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

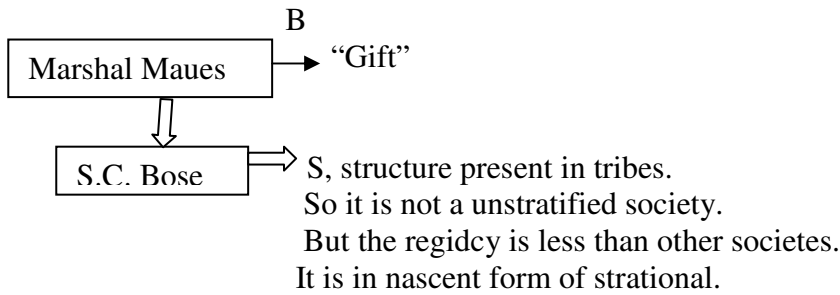
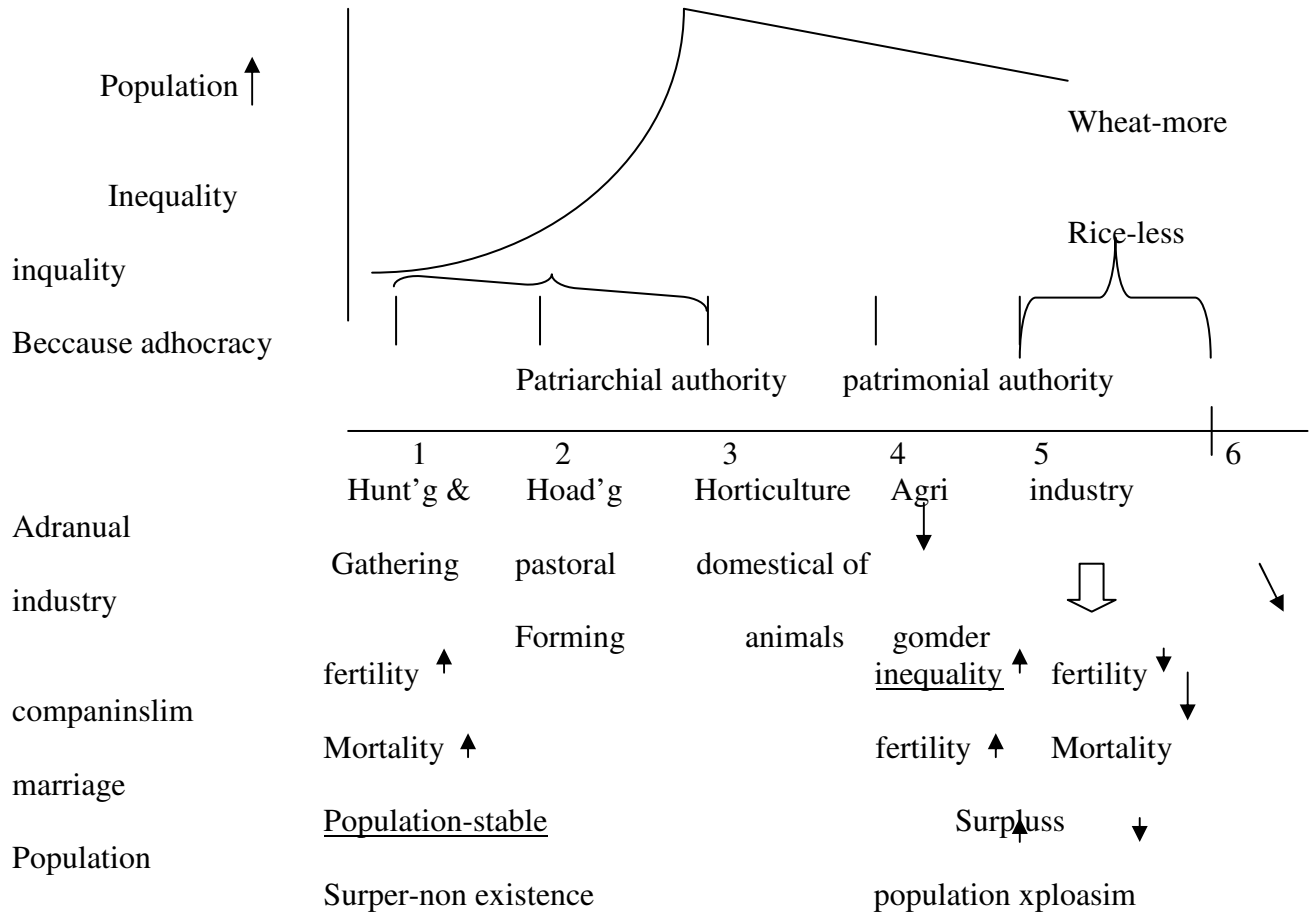
Says that it is xplicit in his model that under development is the original stage of traditional society. No stage prior to it Was identified. Western societys had a history so it jumped of but I, Was colonialisid Rostow ignored colonialisational. Which Lead to the arrest of economic development in developing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



	1	2	3	4	5	6
Religion	magico Animism	Great		Great religion	Seet	
culture (eg: seribaba)		kingroup		(church)	(eg. Buddhism)	
Kinship	extended			xtended	nucluar	
companionation				Family	family	
family						

Authority
adhocracy

partri

auchal

patrimonial

because

Controlled economy:

- state controls the market
- equitable distribution of goods to all.
- In name of controlling the market it becomes totalitarian society.
- Moved to communist society.
-

Market economy:

Beidleman

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



J. Karkve & Damle



Said that jajmani system wanted to continue in some regions
Where they studied. So still existing.

William Wiser



Interdependence of the caste maintains solidarity.