**DETERMINANTS OF DEVELOPMENTS**

The process of development depends on a host of factors like natural resources, physical and human capital, technology, socio-politico-economic structure of the country. Determinants of development are broadly classified into economic factors and non-economic factors.

**1.Economic Factors as determinants of Development**

Economic factors as determinants of development include natural and human resources. Natural resources (those which are available as a free gift of nature) include land, water, minerals, fossil-fuel, forest products, wind and solar energy, etc. Natural resources can be broadly divided into three categories viz. Bioclimatic resources (land, water, forests and climatic environment), Fossil Fuel and non-fuel mineral resources.  The countries, which are rich in natural resources have more scope for high economic growth. Many of the western countries development is due to their abundant availability of natural resources. But there are a lots of exception to this. For example, many countries in Africa are rich in natural resources, but poor in development.

Human resources are also equally important. Few countries such as Japan are poor in natural resources but their human resources have turned those countries into epitome of success.

Human resources are a prerequisite for development of a country. A country devoid of human resources cannot progress even if it is abundant with natural resources. Human resource can be divided into two categories viz. Physical labour and Human skill. Physical labour is the labour supply and skill is the knowledge embodied in humans. Human skill is formed when investment is made into education, health, training etc.

**2.Non-economic Factors**

Non-economic factors refer to socio-political factors or even religious factors. Political environment directly influences the economic development. Stable political administration generates faith of the people in the programmes and policies of the government. Accordingly, people venture to make investment in diverse areas of economic activity. Social institutions like caste system, joint family system and laws of inheritance play an important role in economic development. A corruption-free system is certainly more conducive to the process of growth and development, than the one where corruption is present.

**DETERMINANTS OF DEVELOPMENT IN DETAIL**

**The Determinants of development (Factors) Which Influence the Economic Development of a Country are as follows:**

There are mainly two types of determinants (factors) which influence the economic development of a country.

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### **A) Economic Factors in Economic Development:**

In a country’s economic development the role of economic factors is decisive. The stock of capital and the rate of capital accumulation in most cases settle the question whether at a juven point of time a country will grow or not. There are a few other economic factors which also have some bearing on development but their importance is hardly comparable to that of capital formation. The surplus of food grains output available to support urban population, foreign trade conditions and the nature of economic system are some such factors whose role in economic development has to be analyzed:

#### **1) Capital Formation:**

The strategic role of capital in raising the level of production has traditionally been acknowledged in economics. It is now universally admitted that a country which wants to accelerate the pace of growth, has m choice but to save a high ratio-of its income, with the objective of raising the level of investment. Great reliance on foreign aid is highly risky, and thus has to be avoided. Economists rightly assert that lack of capital is the principal obstacle to growth and no developmental plan will succeed unless adequate supply of capital is forthcoming.

Whatever be the economic system, a country cannot hope to achieve economic progress unless a certain minimum rate of capital accumulation is realized. However, if some country wishes to make spectacular strides, it will have to raise its rate of capital formation still higher.

#### **2) Natural Resources:**

The principal factor affecting the development of an economy is the natural resources. Among the natural resources, the land area and the quality of the soil, forest wealth, good river system, minerals and oil-resources, good and bracing climate, etc., are included. For economic growth, the existence of natural resources in abundance is essential. A country deficient in natural resources may not be in a position to develop rapidly. In fact, natural resources are a necessary condition for economic growth but not a sufficient one. Japan and India are the two contradictory examples.

**According to Lewis,** “Other things being equal man can make better use of rich resources than they can of poor”. In less developed countries, natural resources are unutilized, under-utilized or mis- utilized. This is one of the reasons of their backwardness. This is due to economic backwardness and lack of technological factors.

**According to Professor Lewis,** “A country which is considered to be poor in resources may be considered very rich in resources some later time, not merely because unknown resources are discovered, but equally because new methods are discovered for the known resources”. Japan is one such country which is deficient in natural resources but it is one of the advanced countries of the world because it has been able to discover new use for limited resources.

#### **3) Marketable Surplus of Agriculture:**

Increase in agricultural production accompanied by a rise in productivity is important from the point of view of the development of a country. But what is more important is that the marketable surplus of agriculture increases. The term ‘marketable surplus’ refers to the excess of output in the agri­cultural sector over and above what is required to allow the rural population to subsist.

The importance of the marketable surplus in a developing economy emanates from the fact that the urban industrial population subsists on it. With the development of an economy, the ratio of the urban population increases and increasing demands are made on agriculture for food grains. These demands must be met adequately; otherwise the consequent scarcity of food in urban areas will arrest growth.

In case a country fails to produce a sufficient marketable surplus, it will be left with no choice except to import food grains which may cause a balance of payments problem. Until 1976-77, India was faced with this problem precisely. In most of the years during the earlier planning period, market arrivals of food grains were not adequate to support the urban population.

If some country wants to step-up the tempo of industrialization, it must not allow its agriculture to lag behind. The supply of the farm products particularly food grains, must increase, as the setting-up of industries in cities attracts a steady flow of population from the countryside.

#### **4) Conditions in Foreign Trade:**

The classical theory of trade has been used by economists for a long time to argue that trade between nations is always beneficial to them. In the existing context, the theory suggests that the presently less developed countries should specialize in production of primary products as they have comparative cost advantage in their production. The developed countries, on the contrary, have a comparative cost advantage in manufactures including machines and equipment and should accordingly specialize in them..

Foreign trade has proved to be beneficial to countries which have been able to set-up industries in a relatively short period. These countries sooner or later captured international markets for their industrial products. Therefore, a developing country should not only try to become self-reliant in capital equipment as well as other industrial products as early as possible, but it should also attempt to push the development of its industries to such a high level that in course of time manufactured goods replace the primary products as the country’s principal exports.

In countries like pakistan the macro-economic interconnections are crucial and the solutions of the problems of these economies cannot be found merely through the foreign trade sector or simple recipes associated with it.

#### **5) Economic System:**

The economic system and the historical setting of a country also decide the development prospects to a great extent. There was a time when a country could have a laissez faire economy and yet face no difficulty in making economic progress. In today’s entirely different world situation, a country would find it difficult to grow along the England’s path of development.

The Third World countries of the present times will have to find their own path of development. They cannot hope to make much progress by adopting a laissez faire economy. Further, these countries cannot raise necessary resources required for development either through colonial exploitation or by foreign trade. They now have only two choices before them:

i) They can follow a capitalist path of development which will require an efficient market system supported by a rational interventionist role of the State.

ii) The other course open to them is that of economic planning.

The latest experiments in economic planning in China have shown impressive results. Therefore, from the failure of economic planning in the former Soviet Union and the erstwhile East European socialist countries it would be wrong to conclude that a planned economy has built-in inefficiencies which are bound to arrest economic growth.

### **B) Non-Economic Factors in Economic Development:**

From the available historical evidence, it is now obvious that non- economic factors are as much important in development as economic factors. Here we attempt to explain how they exercise influence on the process of economic development:

#### **1) Human Resources:**

Human resources are an important factor in economic development. Man provides labour power for production and if in a country labour is efficient and skilled, its capacity to contribute to growth will decidedly be high. The productivity of illiterate, unskilled, disease ridden and superstitious people is gener­ally low and they do not provide any hope to developmental work in a country. But in case human resources remain either unutilized or the manpower management remains defective, the same people who could have made a positive contribution to growth activity prove to be a burden on the economy.

#### **2) Technical Know-How and General Education:**

It has never been, doubted that the level of technical know-how has a direct bearing on the pace of development. As the scientific and technological knowledge advances, man discovers more and more sophisticated techniques of production which steadily raise the productivity levels.

Schumpeter was deeply impressed by the innovations done by the entrepreneurs, and he attributed much of the capitalist development to this role of the entrepreneurial class. Since technology has now become highly sophisticated, still greater attention has to be given to Research and Development for further advancement. Under assumptions of a linear homogeneous production function and a neutral technical change which does not affect the rate of substitution between capital and labour, Robert M. Solow has observed that the contribution of education to the increase in output per man hour in the United States between 1909 and 1949 was more than that of any other factor.

#### **3) Political Freedom:**

Looking to the world history of modern times one learns that the processes of development and under­development are interlinked and it is wrong to view them in isolation. We all know that the under-development of India, Pakistan, Bangladesh, Sri Lanka, Malaysia, Kenya and a few other countries, which were in the past British colonies, was linked with the development of England. England recklessly exploited them and appropriated a large portion of their economic surplus.

Dadabhai Naoroji has also candidly explained in his classic work ‘Poverty and Un-British Rule in India’ that the drain of wealth from India under the British was the major cause of the increase in poverty in India during that period, which in turn arrested the economic development of the country.

#### **4) Social Organization**:

Mass participation in development programs is a pre-condition for accelerating the growth process. However, people show interest in the development activity only when they feel that the fruits of growth will be fairly distributed. Experiences from a number of countries suggest that whenever the defective social organisation allows some elite groups to appropriate the benefits of growth, the general mass of people develop apathy towards State’s development programs. Under the circumstances, it is futile to hope that masses will participate in the development projects undertaken by the State.

India’s experience during the whole period of development planning is a case in point. Growth of monopolies in industries and concentration of economic power in the modern sector is now an undisputed fact. Furthermore, the new agricultural strategy has given rise to a class of rich peasantry creating widespread disparities in the countryside.

#### **5) Corruption:**

Corruption is rampant in developing countries at various levels and it operates as a negative factor in their growth process. Until and unless these countries root-out corruption in their administrative system, it is most natural that the capitalists, traders and other powerful economic classes will continue to exploit national resources in their personal interests.

The regulatory system is also often misused and the licenses are not always granted on merit. The art of tax evasion has been perfected in the less developed countries by certain sections of the society and often taxes are evaded with the connivance of the government officials.

#### **6) Desire to Develop:**

Development activity is not a mechanical process. The pace of economic growth in any country depends to a great extent on people’s desire to develop. If in some country level of consciousness is low and the general mass of people has accepted poverty as its fate, then there will be little hope for development. According to Richard T. Gill, “The point is that economic development is not a mechanical process; it is not a simple adding- up of assorted factors. Ultimately, it is a human enterprise. And like all human enterprises, its outcome will depend finally on the skill, quality and attitudes of the men who undertake”.

**Social determints of development**

Social factors play important roles in economic development. This has been of late realisation on the part of social scientist. The social determinants of economic development include various social institutions such as the family, class structure, caste, religion, traditions, attitudes, beliefs and culture etc.

In fact, it is difficult to compartmentalize human factors into economic and non-economic, since development is the result of inter-play of these factors. Although economic factors are significant, social factors are more dynamic and powerful which determines economic development to a great extent. Let us discuss some of the important social determinants of economic development.

The rate and nature of economic development are profoundly influenced by factors such as the adaptability of society, its attitudes to innovation and change. The rate of economic development is also influenced by the attitudes of the traditional elite to social and political changes.

The cultural context surrounding the production systems, the relations between various groups participating into the economic processes and a favourable cultural context in society determine the structure of the economy decisively. An open and progressive society with healthy environment makes a positive contribution to development.

A rigid, retrograde social system hinders economic development in many ways. A mobile, receptive outward looking social system is conducive for economic development.

Democratic norms and its full application are important factors for development. The type of Government and its relationship with the masses in the domain of policy making for development a assumes importance for all round development.

Advancement in technology is hindered in developing countries due to lack of education of people. Education motivates and inspires individuals to actively participate in the process of economic development. In fact, education brings revolutions in ideas of economic progress.

Traditional values are not conducive to economic development. Social mobilisation is an essential prerequisite of economic development. Social mobilisation implies the process in which major clusters of Old social, economic and psychological commitments are eroded and broken. In addition, cultural flexibility is necessary for the introduction of any new norms and values.

Economic development not only requires institutional changes but also changes at personal level….sustenance of economic development depend upon certain personal traits. Instead of being fatalistic, religious and immobile, individuals should be mobile, activists and innovational in nature.

Better health conditions and availability of medical facilities, reduction in mortality rates and birth rates can have positive contribution to economic development. Rapid population growth impedes economic growth in underdeveloped areas.

Until not long ago, the term development was used to refer economic growth. But the importance of non-economic dimensions of development – political, social, cultural and human, is being increasingly realized now. Although economists themselves were the first to recognize the importance of human factors in economic development, it was sociologists who brought into focus the social dimensions of development.

Now development is no longer identified with mere increase in gross national product or per capita national income. It has acquired a broader concept. According to J.N. Khosal “it needs to be conceived as a dynamic process directed towards transforming an entire society (not merely some segments of it) enmeshing together its economic, social, political and administrative aspects for an all round, balanced, upward change”.

**Cultural determents**

When we use the word culture, what does it convey to us? Traditions and customs come closer to our perceptions.

The Oxford Dictionary defines culture as “the quality of enlightenment and refinement arising from an acquaintance with and concern for what is regarded as excellent in arts, letters, manners, the sum total of the ways of living built up by a group of human beings and transmitted from one generation to another”.

**Thus a person can be described as being cultured or uncultured.**

Culture is one of the main pillars of development and sustenance of communities and no society can progress in its absence. It is the identity where common values, attitudes, preferences, knowledge are attributed to the behaviour in a particular social group, and has a positive influence on social development in any given country.

Traditional celebrations are some of the core aspects of any culture. Whether it is a wedding, a harvest festival, a religious holiday, or a national observance, our celebrations are woven tightly into our overall cultural identity. Celebrating our traditions offers an excellent opportunity for intercultural exchange and understanding.

The undertakings contribute to an increase in the intellectual potential and build conscious, open and tolerant society.

Last week, Rwanda celebrated the annual national harvest day, locally known as Umuganura, the first-fruit festival which is one of Rwanda’s ancient royal rituals. The event went along with one of the biggest unrivalled biennial African dance festival, Pan-African Dance Festival (FESFAD).

The events took five days celebrating Africa’s unique cultures under the theme “Culture, the cornerstone of development”. A number of countries participated showcasing their rich cultural dances alongside Rwandan famous cultural dance troupes.

Cultural events are fun, entertaining and educative. They allow individuals to integrate physically and mentally. It has been noted at many levels of society that a dynamic cultural sector is a requirement for a well-functioning public sphere with arenas for critical debate and the exchange of ideas.

Identity expressed through culture is a necessity for all human development. It creates the fundamental building blocks in our personality and in the ties that link us to communities and nations.

The quality of our lives depends, to a great extent, on our being able to take part in, and benefit from our culture. We instinctively know, with no need for explanation, that maintaining a connection with the unique character of our historic and natural environment, with the language, the music, the arts and the literature, which accompanied us throughout our life, is fundamental for our unity by providing a sense of who we are.

There is an intrinsic value of culture to a society, irrespective of its place in the human development index, which is apparent to everyone and which makes it a prerequisite consideration for any development.

A growing number of authors also seem to agree that economic growth will take more than an infusion of investment capital, more than an import of the latest technology, even more than dependable political and economic institutions. A constellation of cultural values suited for modern business seems to be a critical ingredient for any progression.

Culture is a powerful driver for development, with community-wide social, economic and environmental impacts. Peoples’ lifestyles, individual behaviour, consumption patterns, values related to environmental stewardship and our interaction with the natural environment are mostly influenced by their cultures.

If development can be regarded as the enhancement of our living standards then efforts geared to development cannot ignore culture. Interventions that are responsive to the cultural context and the particularities of a place and community, and advance a human-centered approach to development, are most effective, and likely to yield sustainable, inclusive and equitable outcomes.

The role of culture in creating green jobs, reducing poverty, making cities more sustainable, providing safe access to water and food, preserving the natural resources such as forests, and strengthening the resilience of communities in the face of disasters, is truly major and irreplaceable.

Politically, culture plays a natural part in a development policy that is serious about human rights. A free and strong cultural sector will promote other rights and values such as freedom of expression, diversity and debate about needs in society. Culture ensures unity during crisis, influences identity, debate and dialogue. It is important for nation building and for peace and reconciliation.

Culture lays essential foundation for other political rights and is equally important in the link between the ancient and modern democratisation. The modern democracy that we have is an extension of what our forefathers or rulers established. The whole process of organisation of states during and after the colonialism would have been easy were it not for prior existing structures.

Rwanda is one of the countries on planet earth that have great cultural attributions. It is needless to say that our tremendous efforts and achievements to date have been greatly influenced by the culture of kindness, hard work, self determination, unity, common purpose as well as our arts, music and firm traditional values.

These have been absolute pillars of our solidarity and development. As the late Secretary General of the United Nations, Dag Hammarskjold, once said, “If we go to the root of the matter, it is our concept of death that decides our answers to all the questions which life poses”.