

# Economy and Society PYQ 2022

## **Q1. Discuss the Formalist and Substantivist approaches.**

Ans1. The Formalist and Substantivist approaches are two distinct theoretical perspectives in the field of economic anthropology, which seek to understand how economic systems operate in different societies and cultures.

The Formalist approach, also known as the neoclassical or rationalist approach, assumes that economic behaviour is based on rational decision-making by individuals who seek to maximize their own self-interest. According to this approach, economic transactions are governed by formal rules, such as market prices, supply and demand, and contract law. The Formalist approach emphasizes the role of market forces in shaping economic behaviour and views economic systems as universal and timeless.

In contrast, the Substantivist approach, also known as the culturalist or holistic approach, emphasizes the role of culture and social institutions in shaping economic behaviour. According to this approach, economic behaviour is embedded in social relationships, and economic transactions are governed by informal norms, customs, and traditions. The Substantivist approach views economic systems as specific to particular societies and cultures and emphasizes the importance of understanding local contexts in order to understand economic behaviour.

While the Formalist and Substantivist approaches are often seen as opposing perspectives, some scholars have sought to integrate these approaches in order to provide a more nuanced understanding of economic behaviour. For example, some scholars have suggested that while economic transactions may be governed by formal rules in some contexts, they may be governed by informal norms and relationships in others.

In conclusion, the Formalist and Substantivist approaches represent two distinct perspectives on economic behaviour, which emphasize the role of rational decision-making and social relationships, respectively. While these approaches have been subject to criticism and debate, they continue to provide useful theoretical frameworks for understanding economic systems in different societies and cultures.

## **Q2. What is Globalization? How does it impact consumption patterns?**

Ans2. Globalization refers to the increasing interconnectedness of the world's economies, societies, and cultures through the rapid exchange of goods, services, capital, and ideas across national borders. Globalization has been facilitated by advances in communication technology, transportation, and trade liberalization policies.

Globalization has had a significant impact on consumption patterns, as it has led to the widespread availability of a wide range of goods and services from around the world. Consumers today have access to products from different countries and cultures, and are able to purchase goods online from anywhere in the world.

One of the main ways in which globalization has impacted consumption patterns is through the spread of consumer culture. Consumer culture is a social and economic system in which people's identities, status, and well-being are tied to their ability to consume goods and services. Globalization has led to the spread of consumer culture to many parts of the world, as people are exposed to new products and lifestyles through media and advertising.

Globalization has also led to changes in production and supply chains, which has affected the types of goods that are available to consumers. Many companies have moved their production to countries with lower labour costs, which has led to the production of goods at a larger scale and at lower prices. This has led to the availability of cheaper goods for consumers, but has also led to concerns about labour standards and environmental impacts.

At the same time, globalization has also led to the development of new markets and new opportunities for local producers to sell their goods to consumers around the world. This has led to the growth of industries such as fair trade and organic farming, which focus on producing goods in a sustainable and socially responsible manner.

In conclusion, globalization has had a significant impact on consumption patterns, as it has led to the spread of consumer culture and the availability of a wide range of goods and services from around the world. While globalization has created new opportunities for consumers and producers, it has also raised concerns about labour standards, environmental impacts, and the impact of consumer culture on society and the environment.

### **Q3. How cross cultural consumption is transforming our society? Discuss**

Ans3 Cross-cultural consumption refers to the adoption of goods, services, and cultural practices from different cultures. It is driven by the increasing globalization of the world's economies, the spread of consumer culture, and the ease of access to information and media.

Cross-cultural consumption is transforming our society in several ways:

**Diversity:** Cross-cultural consumption is leading to greater diversity in our society, as people are exposed to and adopt different cultural practices and values. This is leading to a more inclusive and pluralistic society.

**Cultural exchange:** Cross-cultural consumption is facilitating cultural exchange between different cultures, as people share and learn from each other's traditions, practices, and values. This is leading to greater understanding and tolerance between different cultures.

**Hybridization:** Cross-cultural consumption is leading to the creation of new cultural practices and products that blend elements of different cultures. This is leading to the emergence of new forms of art, music, and cuisine, which are creating new cultural identities and experiences.

**Standardization:** Cross-cultural consumption is also leading to the standardization of certain cultural practices and products, as global brands and media companies dominate the market. This can lead to the loss of local cultural traditions and practices, and the homogenization of cultural experiences.

**Consumerism:** Cross-cultural consumption is also contributing to the growth of consumerism, as people's identities and social status become tied to their ability to consume products from different

cultures. This can lead to the exploitation of resources and the creation of environmental and social problems.

In conclusion, cross-cultural consumption is transforming our society in both positive and negative ways, by promoting diversity, cultural exchange, hybridization, and standardization, while also contributing to consumerism and the loss of local cultural traditions. It is important to promote responsible and sustainable cross-cultural consumption practices that respect and celebrate the diversity of different cultures.

#### **Q4. What is McDonaldization? Explain its impact on Society.**

Ans4. McDonaldization refers to the process by which the principles of fast food restaurants, such as efficiency, calculability, predictability, and control, are applied to other areas of society. The term was coined by sociologist George Ritzer to describe the increasing standardization and rationalization of modern society.

The impact of McDonaldization on society is complex and multifaceted. Some of the main effects include:

**Efficiency:** McDonaldization has led to increased efficiency in many areas of society, as processes become streamlined and standardized. This has led to faster service, lower costs, and increased productivity.

**Standardization:** McDonaldization has led to the standardization of products and services, which has led to the loss of uniqueness and individuality. This can lead to a sense of sameness and a lack of diversity.

**Predictability:** McDonaldization has led to the creation of predictable and routine experiences, which can be comforting and reassuring to some, but also boring and monotonous to others.

**Control:** McDonaldization has led to increased control over workers and consumers, as processes become more tightly regulated and monitored. This can lead to a loss of autonomy and creativity.

**Homogenization:** McDonaldization has led to the spread of a particular Western culture and way of life, which can undermine local cultures and traditions.

**Environmental impact:** McDonaldization has contributed to the growth of consumerism and the consumption of resources, which can have negative environmental impacts.

Overall, the impact of McDonaldization on society is a mixed bag. While it has led to increased efficiency and productivity, it has also contributed to the loss of diversity and individuality, increased control over workers and consumers, and negative environmental impacts. It is important to recognize the effects of McDonaldization and to work towards a more balanced and sustainable way of organizing society.

#### **Q5. Explain Karl Polanyi's theory of economic sociology**

Ans5 Karl Polanyi's theory of economic sociology is a critical perspective on the functioning of market societies. According to Polanyi, the economy is not a separate sphere of life, but rather embedded in society and subject to social and political forces. Polanyi argues that the market system is not a natural or inevitable outcome of human behaviour, but rather a product of historical and social forces.

Polanyi's theory centers on the concept of the "great transformation," which refers to the transition from a traditional society to a market society. He argues that the market system emerged as a result of deliberate state intervention in the economy, such as the enclosure of common lands and the creation of labour markets. This process led to the commodification of land, labour, and money, which Polanyi argues is a fundamental violation of human nature and social norms.

Polanyi argues that the market system leads to a number of social and economic problems, including inequality, environmental degradation, and social dislocation. He argues that the market system requires the exploitation of labour and resources, which leads to a race to the bottom in terms of wages and working conditions. Furthermore, he argues that the market system requires the constant expansion of economic activity, which leads to the depletion of natural resources and environmental degradation.

In response to these problems, Polanyi advocates for a more socially embedded form of economic organization. He argues for the protection of society from the destructive effects of the market system through the establishment of social safety nets, the regulation of markets, and the promotion of collective forms of ownership and control.

Overall, Polanyi's theory of economic sociology provides a critical perspective on the functioning of market societies, and argues for the importance of social and political factors in shaping economic outcomes.

#### **Q6. Define Development. Explain its various approaches.**

Ans6 Development can be defined as a process of economic, social, and political transformation that leads to improvements in people's well-being and overall quality of life. This can include improvements in standards of living, access to education and healthcare, and the expansion of political freedoms and human rights.

There are several approaches to development, including:

**Modernization approach:** This approach emphasizes the adoption of Western-style institutions, technologies, and values as a means of promoting economic growth and development. It often involves large-scale investment in infrastructure and industrialization, and assumes that traditional societies are inherently backward and in need of modernization.

**Dependency approach:** This approach emphasizes the role of international economic structures in perpetuating poverty and underdevelopment in developing countries. It argues that developing countries are dependent on developed countries for access to markets and technology, and that these relationships are exploitative.

**Human development approach:** This approach emphasizes the importance of improving people's capabilities and opportunities as a means of promoting development. It focuses on issues such as

access to education, healthcare, and political rights, and emphasizes the importance of empowering individuals and communities.

**Post-development approach:** This approach challenges the assumptions of traditional approaches to development, arguing that they are based on Western-centric models and do not take into account the diversity of human experience. It emphasizes the importance of local knowledge and practices, and argues for a more diverse and decentralized approach to development.

**Sustainable development approach:** This approach emphasizes the importance of balancing economic development with environmental sustainability. It argues that economic growth must be pursued in a way that does not harm the natural environment or deplete natural resources, and that development must be pursued in a way that is socially just and equitable.

Overall, development is a complex and multifaceted process that can be approached in a variety of ways. Each approach has its strengths and weaknesses, and the most effective approach will depend on the specific context and goals of development efforts.

#### **Q7. Write Short Notes of any two of the following :**

##### **(a) Domestic mode of Production**

Ans7 a The domestic mode of production is a term used by Marxist scholars to describe a type of economic organization that existed in pre-capitalist societies. In this mode of production, production is primarily organized around the household, with family members responsible for producing goods and services for their own use or for exchange within their community.

The domestic mode of production is characterized by a lack of wage labour and a lack of separation between the spheres of production and consumption. This means that goods and services are produced and consumed within the same social unit, such as a family or village, rather than being produced for sale on the market.

In the domestic mode of production, the division of labour is based on gender and age, with men typically engaged in activities such as hunting, fishing, and trade, while women are responsible for tasks such as agriculture, cooking, and childcare. This gendered division of labour is often reinforced by cultural and religious norms.

The domestic mode of production is often contrasted with the capitalist mode of production, which is characterized by wage labour, market exchange, and the separation of production and consumption. According to Marxist scholars, the transition from the domestic mode of production to the capitalist mode of production was a key moment in the history of human societies, marking the emergence of a new economic system based on exploitation and class conflict.

Today, the domestic mode of production is still found in some parts of the world, particularly in rural areas of developing countries where subsistence agriculture and traditional crafts continue to be important economic activities.

##### **(b) Socialism**

Ans7 b Socialism is a political and economic ideology that advocates for collective ownership of the means of production and the creation of a classless society in which wealth and resources are distributed according to need rather than profit. Socialism emerged as a response to the perceived injustices of capitalism, including the exploitation of workers, widening economic inequality, and environmental degradation.

There are several different strands of socialism, each with its own set of beliefs and practices. Some of the key features of socialism include:

**Collective ownership:** In a socialist society, the means of production (such as land, factories, and natural resources) are owned and controlled collectively by the workers or the community as a whole, rather than by private individuals or corporations.

**Economic planning:** In a socialist economy, economic activity is planned and coordinated by the state or by democratically elected councils. This is in contrast to a capitalist economy, in which production and distribution are primarily guided by market forces.

**Social welfare:** Socialism places a strong emphasis on social welfare, and aims to provide all citizens with access to basic needs such as healthcare, education, and housing.

**Democracy:** Socialism is often associated with the promotion of democracy and worker self-management, with the aim of creating a more participatory and equal society.

Socialism has been implemented in a variety of forms in different countries around the world, with varying degrees of success. Examples of socialist countries include the former Soviet Union, Cuba, and Venezuela. However, socialism has also been the subject of criticism and controversy, with some arguing that it is incompatible with human nature and individual liberty.

### **(c) Peasants**

Ans7 c Peasants are rural farmers who live and work on small plots of land. They are a social group that has played an important role in human history, particularly in pre-industrial societies where agriculture was the primary means of subsistence. Peasants typically work with simple tools and rely on family labour and traditional knowledge to cultivate crops and raise animals.

Peasantry has been an important social formation throughout history, particularly in feudal societies, where peasants were subject to the lord of the manor and often had little control over their own lives or livelihoods. However, the emergence of capitalist agriculture and the growth of industrialization in the 19th century led to the decline of traditional peasant societies in many parts of the world.

Today, the term "peasant" is often used to refer to small-scale farmers in developing countries, particularly those who practice subsistence agriculture and are not integrated into global markets. Peasants often face a range of challenges, including landlessness, poverty, and marginalization from political and economic power.

However, peasants have also been the subject of political mobilization and resistance, particularly in the context of struggles for land reform and agrarian reform. Peasant movements have played an important role in many social movements around the world, including the Landless Workers Movement in Brazil and the Zapatista movement in Mexico.

Overall, peasants remain an important social group in many parts of the world, and their struggles for land, labour rights, and political power continue to shape the dynamics of social and economic change.

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