



Looking Back

We started the study with a basic question as to whether 'development' as we talk of it is consistent with 'social justice'. Having traversed a host of arguments, it is now necessary to bind the loose ends up into a concrete shape.

The study began with the problematics of methodology. Then it went on to take up a historical perspective of the changing structure of India as an economic as well as a political unit. The case for 'decentralized planning' and 'rural development' in general and 'IRDP' in particular were also taken up at length. In between, we have digressed a bit on the concept of 'social justice' and 'poverty'.

In this concluding chapter, we shall mainly take up the last research question related to h3 that asks whether the objective behind placing importance on 'development with justice' has failed or not. To provide an answer to the query we shall first look back to summarize the observation we have made so far.

Firstly, regarding the methodological question, we observed that the neo-classical approach is not suitable in the context of analyzing the the concept of 'development with justice' and the impact of such developmental policy on the society.

Secondly, we found that India is still now a peculiar mixture of a fractured compromise with there being the nexus between agriculture and State and simultaneously so between industrial-trading bourgeoisie and State with direct collusion between agriculture and bourgeoisie taking years to mature. Infact, the first such attempt may be traced into the

introduction of the new agricultural strategy that resulted into the 'Green Revolution' and the subsequent nationalization of the major commercial banks.

Thirdly, 'decentralized planning' and 'rural development' are never any new concept in the Indian context. Indian socialism in the form of exclusive State ownership in certain industrial and financial enterprises and the corresponding concepts centralized planning notwithstanding, attempts to decentralize planning machinery can be traced to have been made ever since the beginning of planning era in India. Interestingly, even during the British Raj such an action was contemplated. To come on to the reasons we observed that the decisions were timed in such a fashion that they always tallied with the onset of short term industrial recession in the country.

Fourthly, During the period of 1970s the Indian economy started experiencing a 'structural retrogression' in the sense that the materially unproductive tertiary sector gradually started occupying a more important position compared to the manufacturing sector with the largest chunk of the Indian society still being engaged in activities related to the primary sector. On the other hand, the index of labour intensity in Indian industry dropped down considerably from 100 in 1960 to 66 in 1980 (see Table : 7.1). The composition of the industrial sector also changed as is evident from Table : 7.2, where we find that the weights of different industries by use based classification underwent a structural change. In 1956, basic goods industries were assigned a weight of 22.13 with the consumer goods industries being assigned 48.37. The situation changed abruptly in 1980 with

the weights being 39.42 and 23.69 respectively. Such a complete reversal of emphasis may, have among various other reasons, resulted from the bottle-necks on the demand side. The consumer goods industries have failed to expand their market beyond a certain periphery. Just as the industrial sector produces goods, in a developing country it is also expected to create employment potential which will lead to the siphoning out of the surplus labour out of agriculture. The larger emphasis on basic goods industries clearly spells out the role of the State, as it controls the majority of such industries, firstly as a friend of the private sector through providing infrastructural and raw material support, and secondly as a means of reducing the burden of surplus labour from the agricultural sector and alongside reducing the level of unemployment to a more or less tolerable level. Table :7.3 gives a comparative idea about the employment generation potential of both the public and the private sector. Table : 7.4 gives the idea about the per capita emoluments of public sector employees which may be compared with Table :7.5 that gives an idea about the trend in real per capita NNP for the country as a whole that includes both the private sector and the public sector employees along with the self-employed and the unemployed. The ratio remained at about 10:1 in 1979-80. Further there were also observed a trend of increasing fluctuations in the workings of the economy.

Fifthly, there emerged a considerable tension in the rural India by the late 1960s which, in some cases, burst out into the open.

It should have been noted that through out this study

we have not taken up the problems relating to the agricultural sector in as greater a detail as we have shown our interests in the problems of the industrial sector, although the developmental policy that we are talking of are related mainly to those who are almost directly related to agriculture. On the face of it such an approach may seem queer. However, if we go a bit inside the story, we observe that the policies we are concerned with are the brain children of experts from the industrialized nations. The bureaucratic domination over the decision making process as well as their implementations has been taken today for granted by all, even by learned scholars on rural development<sup>1</sup>. The whole developmental thrust, as it is felt, has a distinct urban and as a result industrial bias. And herein lies the irony. Although we are to analyze the impacts of the new developmental policy that has to be done through the eyes of the urban-industrial interests. Thus in fact to understand the problems of rural India we have to relate them to the difficulties for the urban people that might result from such phenomena. This points towards the existence of duality in the Indian socio-economic-political structure. And once this duality is understood we may now pass on to our concluding observation in relation to the question we have already repeated at the beginning of this chapter.

What has the policy we are dealing with achieved? Considering Table 7:2 again we observe that the developmental strategy pursued in general led to further decline in the importance of the consumer goods industries at the expense of the basic goods industries by 1987. The data for real NNP and its annual compound growth rate, however, shows that there was a

significant growth during the last decade (see Tables 7.6 & 7.7). Unfortunately, if we carry out the analysis on a disaggregated basis, the results are not that satisfactory. There were fluctuations in annual growth rates for the agricultural sector,<sup>2</sup> leading to that in the total NNP as well. So the economic stability could not be obtained. There may be so many reasons behind such a phenomena. But what we are to note in the present context is that the developmental policies that we talk of could not change the basic structure and the trends in the direction of the Indian economy. It may be pointed out in this context that there has been observed a casual approach on the part of the powers that be towards decentralized planning. There has been set up no agency to prepare information data-base or monitor the updating of the existing ones even at the block level. The present author observed that regarding the information about the population or number of villages different agencies quote different figures.<sup>3</sup>

Is it then so that the so-called development-with-justice policy could not serve its objectives at all? For the sake of recapitulation it is better we restate the objectives.

They are:

- a) preparing a cushioning pad between the haves and the have nots;
- b) expand the market for the consumer good industries, mostly run under the private sector management, into the rural areas;
- c) inculcating a sense of modernity into the village life, thereby cementing the agriculture-State-bourgeoisie

collusion a bit more strongly; and thereby

d) keeping the existing power relations unaffected.

We may now go into the question that we have raised. The answer is a big NO. The present author has shown elsewhere that in some places where people do not enjoy any participatory democracy at the local level, and hence do not get the benefits of IRDP tensions take little time to burst out into flames. Taking the case of the recent agitation in Darjeeling with the demand for a separate state for the ethnic Gorkhas, it was observed that there was a stiff resistance to such a movement from the Gorkhas from one region in the hills. Interestingly, most of the Darjeeling inhabitants being residents of the non-revenue villages, such as tea gardens, forest lands etc., do not have the right to panchayat raj and benefits from IRDP. On the other hand, the Bijanbari region being a cluster of revenue villages, its residents do enjoy such rights and benefits. It may be plausible that this was one of the reasons behind the decision on the part of the residents of Bijanbari in spite of them being mostly Gorkhas, not to participate, rather fight tooth and nail the demand for Gorkhaland. The ultimate peace accord in exchange for a Gorkha Hill Council, no more than a glorified Zilla Parishad, (the district level organ of decentralized planning) lends support to the contention.<sup>4</sup>

Regarding the expansion of consumerism in the rural areas, the impact has been positive as is observed through the need for expanding TV network into the rural areas. There are residents even in distant rural pockets in India who can afford buying a television along with the other durables. And

parallelly, most of the rural residents are finding it harder day by day to live a decent life as a result of rising inflation on the one hand and reduced scope of employment on the other. We have already observed that the IRD actually helped the group of people lying low amongst the landed aristocracy to move up the economic ladder. The extent of corruption in implementing IRDP may have to a large extent, helped expand the degree of consumerism in rural India.

The policy of 'development' with 'justice' has also made a significant dent on the removal of traditionalities from the village India. With the flowing of money from the State coffers into the hands of a privileged few village level leaders, who in most of the cases do not represent the interests of the common villagers, the leaders now find it easier to go for luxuries for themselves. Further they can now provide better education to their wards a facility that still now evades the children of most of the village folks. However, the flow of 'so-called' education into some of the village families is really opening up the whole world in front of the village people as a whole. The impact of the television to that end is also to be taken into account. Thus a group of neo-elites are coming up to occupy the positions which still now in most part of the country are occupied or have been till very recent times occupied by people owing allegiance to the old customs, not 'liberal' in the existing sense of the term.

So it's again a gradual and peaceful transfer of power from one group of the society to another, following the neo-classical tenet of not disturbing the existing institutions. The



process may seem to be bringing in institutional changes, but on closer scrutiny it comes out to be change in the method, not in the structural reality.

What about 'social justice' ? Such is also with an eye to maintaining the status quo. We draw the finishing line having borrowed from Plato:

"Listen then, Thrasymachus began. What I say is that 'just' or 'right' means nothing but what is to the interest of the stronger party.....

..... in every case the laws are made by the ruling party in its own interest; a democracy makes democratic laws, a despot autocratic ones, and so on. By making these laws they define as 'right' for their subjects whatever is for their own interest, and they call any one who breaks them a 'wrong doer' and punish him accordingly. That is what I mean : in all states alike 'right' has the same meaning, namely what is for the interest of the party established in power, and that is the strongest. So the sound conclusion is that what is 'right' is the same everywhere ; the interest of the stronger party." 5

Table :7.1

Index of Labour Intensity in Indian Industry\*

Year	Labour Intensity Index	Year	Labour Intensity Index
1960	100	1970	68
1961	93	1971	69
1962	90	1973	65
1963	85	1974	68
1964	83	1975	73
1965	81	1976	68
1966	81	1977	68
1967	81	1978	52
1968	78	1979	65
1969	70	1980	66

\* : Quoted from Mundle (1991)

Table : 7.2

Changes in Weights by Use Based Classification\*

	Basic Goods Industries	Capital Goods Industries	Intermmediate Goods Industries	Consumer Goods Industries
1956	22.13	4.71	24.59	48.37
1960	25.11	11.76	25.88	37.25
1970	26.84	18.67	23.60	30.89
1980	39.42	16.43	20.51	23.69
1987	40.72	19.01	18.22	22.42

\* : Quoted from Mundle (1991)

Table :7.3

Employment in the Public & Private Sector Industries\*

( as on March 31)

(In Lakhs)

Year	Public Sector	Private Sector
1977	137.66	68.67
1978	142.00	70.43
1979	146.76	72.08
1980	150.78	72.27
1981	154.84	73.95
1983	164.56	75.52
1984	168.69	73.45
1985	172.69	73.09
1986	176.83	73.73
1987	180.25	73.64
1988	183.20	73.91
1989	185.16	74.70

\* : Compiled from Economic Survey 1990-1991 published  
by the Government of India P:S-50-51

Table : 7.4

Per Capita Emoluments of Public Sector Employees\*

Year	Per capita emoluments (Rs)	% increase over 1971-72
1971-72	5920	---
1972-73	5805	-1.94
1973-74	5573	-5.86
1974-75	7402	25.03
1975-76	8983	51.74
1976-77	8940	51.01
1977-78	10048	69.73
1978-79	11210	89.36
1979-80	12468	110.61
1980-81	14239	140.52
1981-82	16158	172.94
1982-83	18029	204.54
1983-84	21549	264.00
1984-85	24328	310.95
1985-86	25887	337.28
1986-87	28820	386.82
1987-88	32537	449.61
1988-89	39415	565.79
1989-90	43665	637.58

\* : Compiled from Economic Survey 1990-91 P:S-52

Table : 7.5

Per Capita NNP at Current Prices\*

Year	Per capita NNP (Rs)
1971-72	696.4
1972-73	747.5
1973-73	900.7
1974-75	1031.9
1975-76	1063.1
1976-77	1119.5
1977-78	1256.6
1978-79	1315.7
1979-80	1390.3
1980-81	1630.1
1981-82	1855.9
1982-83	2001.1
1983-84	2300.4
1984-85	2504.2
1985-86	2726.0
1986-87	2953.6
1987-88	3286.1
1988-89	3875.2
1989-90	4252.4

\* : Compiled from Economic Survey 1990-91 P:S-3

Table : 7.6

Net National Product at Factor Costs (annual growth rates)\*

Year	At current prices	At 1980-81 prices
1980-81	19.9	7.5
1981-82	16.4	5.8
1982-83	10.2	2.2
1983-84	17.4	8.1
1984-85	11.1	3.4
1985-86	11.2	3.9
1986-87	10.5	3.3
1987-88	13.4	4.0
1988-89	20.2	11.2
1989-90	11.9	5.2

\* : Compiled From Economic Survey 1990-91 P:S-4

Table : 7.7

Annual Compound Growth Rates of NNP at Factor Costs\*

	At current prices	At 1980-81 prices
FIRST PLAN (1951-56)	1.3	3.6
SECOND PLAN (1956-61)	9.2	3.9
THIRD PLAN (1961-66)	9.3	2.3
THREE ANNUAL PLANS (1966-69)	11.7	2.2
FOURTH PLAN (1969-74)	10.9	3.3
FIFTH PLAN (1974-79)	10.3	4.9
ANNUAL PLAN (1979-80)	8.3	-6.0
SIXTH PLAN (1980-85)	14.9	5.4
SEVENTH PLAN (1985-90)	13.4	5.5

\* : Compiled from Economic Survey 1990-91 P:S-4



Notes

1. See Kurian (1990)
2. See Mitra (1990)
3. See Chakrabarti (1989) and Chakrabarti & Mukherjee (1991)
4. See Chakrabarti (1990)
5. See Plato (1972)