POVERTY
AND
EVELOPMENT

C.T. KURIEN

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POVERTY AND DEVELOPMENT

‘We know in part; we prophesy in part’

CISRS SOCIAL CONCERNS SERIES NO. 17

POVERTY
AND
DEVELOPMENT

C. T. KURIEN

PUBLISHED FOR
THE CHRISTIAN INSTITUTE FOR THE STUDY OF
RELIGION AND SOCIETY, BANGALORE-560046
By
C.L.S., MADRAS

THE CHRISTIAN LITERATURE SOCIETY
POST BOX 501, MADRAS 600003

©

First Published 1974

330.954
KUR

Acc. No 17158
Date 4-3-75
Acc. Asstt.

PRINTED IN INDIA
BY P. M. KURUVILLA AT THE WESLEY PRESS, MYSORE CITY

PREFACE

The papers included here have been put together in response to two specific suggestions. Many friends have been asking me to make my *Our Five Year Plans* (C.I.S.R.S., 1966) up-to-date. Much has happened since I wrote that volume commenting on our attempt at planned economic development. In terms of planning itself we had from 1966 to 1969 three Annual Plans or a Plan Holiday (depending on how one looks at it), and the Fourth Plan came to a close in March 1974. After two years of much-publicised preparation, the Fifth Plan has come into force from April 1974. But more than this quiet expected rolling of history has taken place between 1966 and 1974 in the economic, political and social landscape in our country. Many friends have asked me to write an interpretative account of these changes as a follow-up of my treatment of the economic development of the country from 1950 to 1966 which I attempted in *Our Five Year Plans*. Along with it has come the suggestion by friends in this country and abroad that I should attempt a book on Development from the Indian perspective. The feeling is growing that development is not the inevitable move towards 'modernisation' with predictable steps or stages. It is seen as a major social transformation with its own dynamics and tensions related to the particular situations and needs of each country. Hence the need for an 'Indian' interpretation of development.

But I must hasten to add that the papers brought together here serve neither as a follow-up of *Our Five Year Plans* nor as an attempt to depict the Indian development phenomenon. Frankly, this collection is a confession of failure—my failure to comprehend the complexities of the development process in the country sufficiently to write about it systematically. This does not mean that the problems themselves have become more complex, although that may well be the case. Essentially the difference has come about in my own understanding of and approach to the development problem. In *Our Five Year Plans* I looked at development from the perspective of an economist specialising on development issues. I was then working with tools of analysis and a body of knowledge that gave coherence to what were considered to be 'problems of underdeveloped countries'. But my deeper probings into the economic issues of our country (as in my study *Indian Economic Crisis*, Asia Publishing House, 1969) helped me to see the inadequacies of 'development economics' to analyse and understand our problems.

Soon after completing *Indian Economic Crisis* I was able to spend a year (1968-69) at Yale University, utilising the time for reading and quiet reflection. During this time I concentrated my attention on writing a series of notes on 'The Economics of Poverty and the Poverty of Economics', trying to link together two themes which have for many years claimed my attention, the practical problem of poverty and the academic discipline of economics. In retrospect I realise that my efforts to rehabilitate economics to fall in line with my thinking on poverty were rather futile. But as so often happens the wrestling with a serious problem *did* pay dividends, although indirectly, in raising new questions, opening up new possibilities and altogether changing my perspectives.

The papers in the present compilation were all written after the year at Yale and have been attempts to give expression to that new perspective which still remains undefined. They, therefore, represent a groping, but hopefully not in total darkness! If in *Our Five Year Plans* I tried to apply economic theory and the economists' tools of analysis to the Indian situation, in these papers I have concentrated on the problems themselves and have tried to probe them as intensively as possible. I do not want to imply that there has been a *volte-face*. What has happened is a shift in emphasis, a difference in approach and a change of direction which, for me, represent both a continuity with some elements of my thinking of the past and, at the same time, a discontinuity mainly with the method of approach.

The papers were written over a period of four years at the invitation of a variety of agencies and journals, often with their own specifications about content and length. They have not been revised nor been edited to remove occasional overlappings. In the Introduction I have tried to weave together the themes that they deal with and to make the treatment as up-to-date as possible.

I have addressed myself to the intelligentsia. The intelligentsia in our country are on the whole well-to-do and well-placed. They are the products and beneficiaries of our existing order. In their vocabulary, development is a process by which they come to have more affluence and comforts—very often without any conscious effort on their part. They may even wish that such progress must be shared by everybody, if that is at all possible. The intelligentsia have also been noted for their acceptance of the doctrine of equality—in principle. But the burden of my writings has been that our existing system is one which confers favours on the few at the expense of the many and that, therefore, the beneficiaries of the present system are indirectly involved in the process of exploitation that the system represents, although they may not be conscious of it and may not actively participate in such processes. I have also argued that the poverty of the millions in our land can be removed only by a radical restructuring of our social system which will not be to the advantage of those who are now its beneficiaries. But I have written with the conviction that once the writing on the wall is deciphered the intelligentsia can understand its full import, and with the fervent hope that such understanding can be a contributory factor to a change of attitudes, loyalties and commitments.

I wish to record here my thanks to friends who have directly and indirectly helped me in the writing of these papers. I am grateful to Dr Paul Braisted, Dr Edward Dirks and Dr Chandran Devanesen for making it possible for me to spend a year at Yale. Mr T. K. Thomas, Dr M. Abel and Mr Josef James went through the Introduction and some of the other papers and made valuable comments. Dr Abel and Mr James, in particular, helped me to articulate my ideas in areas where my professional competence is limited. They do not share all my convictions and conclusions, but over the years they have been my closest intellectual companions and I owe them much for their friendship and patience.

My thanks are also due to the editors of the periodicals in which the papers were published first for their permission to have them included in the collection.

Madras Christian College, Tambaram C. T. KURIEN
5 April 1974

ACKNOWLEDGEMENTS

Most of the papers published in this volume have already appeared in journals and periodicals in India and elsewhere. We are grateful to the publishers of these for permission to include them in the present publication.

The Concept and Content of Development was the keynote address the author gave at the All-India Christian Consultation on Development, held in January 1970. It was published later in the CISRS journal, *Religion and Society*, June 1970.

Goals of Development in India was presented at the All-India Inter-religious Dialogue on the Eradication of Under-development, Bangalore, March 1972, and was subsequently published in *Religion and Society*, September 1972.

Strategy for Development was published in *Seminar*, Annual Number, January 1972.

Garibi Hatao appeared in *Seminar*, July 1973.

The Green Revolution and all That was published in *Indian Review*, October 1970.

Aid, Trade and Self-Reliance was originally presented at the All-India Youth Conference on Development, Bangalore, May 1970.

Planning and Prices was published in *Swarajya*, November 1973.

Myrdal's Asian Drama was written in October 1969 for publication by the Department of Economics, Waseda University, Japan.

Development, Environment and the Quality of Life was originally presented at the Conference on Science, Technology and Development in India, Bangalore, October 1972 and published in *Footnotes*, Tokyo, Summer 1973.

India—A Political Profile appeared in *Asia Focus* (Bangkok), First and Second Quarter, 1972.

Relevance, Excellence and . . . ? Some Awkward Questions on Education and Development was originally published in the *Journal of Christian Colleges in India,* December 1970.

Education and Development is based on a talk given to the teachers of Jaffna College, Ceylon, in September 1970 and later published in *Jaffna College Miscellany*, December 1971.

Nationalisation of Education? was published in *Jeevadhara,* January—February 1973.

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ONE

INTRODUCTION

I. From Development Economics to the Economics of Poverty

Development Economics and the Development Problem

A common theme running through the papers in this volume is that the problems of poverty cannot be understood unless one extricates oneself from what is commonly referred to as 'Development Economics'. Development Economics was the 'in' thing in the fifties and sixties, and even today pervades a great deal of development policy at the national and international levels. It was in some sense a made-to-order discipline. When the problem of mass poverty in many parts of the ex-colonial world was politically recognised during the post-war period of emerging nationalism, economists found themselves caught in a tricky situation. They did not have the conceptual framework and the analytical tools to deal with the new problem. And yet the problem was pressing—in the sense that the poor countries which began to develop, the rich countries that wanted to assist in the process, the international agencies, including the various organs of the United Nations, which were all eager to mobilise and administer world resources, and the host of voluntary associations all over the world which were eager to arouse the moral conscience of peoples and nations, were all asking for scientific analysis of the problem and for workable solutions. At first, economists, with their commitment to a neutral and positive science, hesitated to enter into what they regarded to be a normative area. But there were enough disciples within the profession to realise that the age of the neutral economist was giving place to the age of the economic adviser. And when the scholar was willing to offer and the politician and the administrator were eager to accept advice, the policy-oriented 'Development Economics' was born. Nothing could have been nobler than this response of the academic community to the pressing social needs of the times. And nothing could have been truer to the original vocation of economics to be concerned with the problems of the real world around. The birth of Development Economics was therefore acclaimed as the end of the academic community's snobbish isolation from the community at large and the beginning of an era of dialectical tension between the two.

But noble intentions do not always result in noble actions. Development Economics did not result from an actual intercourse of academic economics and practical development problems. It was only a simulated intercourse—simulated by academic economists who lived in a world of their own imagination. And how easy it was to diagnose development problems in *that* world! Thus, a country was underdeveloped because its *per capita* income was low and because from a low *per capita* income it was impossible to generate the savings necessary for growth. Unemployment was the result of inflexible wage rates and the consequence of the attempts of governments to become too progressive before the times. Productivity would not increase because the natives were too unwilling to work or did not have the innate entrepreneurial qualities prominent among the people of the affluent nations. And growth was slow because the system was generally unresponsive to market stimuli. Of course all this was not so bluntly and crudely put. There was sufficient policing within the profession to ensure that the literature thus produced satisfied the academic canons of rigour, consistency and elegance. Coming from the Harwards and Yales and Oxfords and Cambridges of the world they carried the stamp of authenticity. Backed by the power and prestige of the international institutions they also possessed the seal of authority. And the image-makers and the model-builders were amply rewarded in terms of prestige, promotions and consultancies. The scholar's fertile imagination and skills of manipulation combined with the data banks and the computers have resulted in the manufacture of a host of logically sound theoretical models backed up with apparent empiricism. As long as what was being done was intellectually respectable and personally profitable it did not matter whether all this was in any sense a realistic representation of the actual situation. But in less than a quarter of a century the bluff has been called. While there are still many who swear by development economics, especially in our university circles, anybody who has looked at the real problems of poverty and development can see that development economics is 'a mere chopsuey of presumption, prejudice and catharsis, seasoned with a sprinkling of opportunism' as a writer has recently put it. Not that there was ever a deliberate attempt to misrepresent and distort the problem. A great deal of this went on unconsciously, and in strict conformity with the norms of intellectual integrity. What, after all, is there to prevent an intellectual discipline from developing a path of its own, far removed from the social reality it purports to depict and analyse? I believe this danger of flight into fantasy is inherent in all intellectual efforts, more so in the social sciences. The concern with the practical problems of development arose at a time when the economic profession was preoccupied with perfecting its tools of analysis and emphasising the need for abstraction—especially in the area of 'growth'. What happened, therefore, was that the development problem was lifted to a realm of unreality from the moment its existence was recognised—and there it has remained since then.

In my professional work I have continued to wrestle with this problem of how to reconcile the need for abstraction with the dangers inherent in it. On the one side, without some level of abstract thinking it is impossible to give coherence to any problem. One of the greatest men of action of our age has said: 'Fully to reflect a thing in its totality, to reflect its essence, to reflect its inherent laws, it is necessary through the exercise of thought to reconstruct the data of sense perception, discarding the dross and selecting the essential; . . . in order to form a system of concepts and theories it is necessary to make a leap from perceptual to rational knowledge' (Mao Tse-tung 'On Practice'). On the other side, once abstract concepts are created, they demonstrate a dangerous strain of tenacity and tend to become petrified into 'hard realities'. It is one of the pitfalls of the academic profession that tools tend to become goals. When methods come to be perfected and worshipped, they can be used not to enlighten and understand reality, but to limit, distort and hide it, paving the way to intellectual tyranny and oppression. Such dangers can be avoided to some extent by a willingness to re-examine and reshape the mental constructs, but I doubt whether intellectual activities can be redeemed and purified through intellectual efforts alone. In their strong insistence that the so-called intellectuals must be obliged to participate regularly in manual, work, both Gandhi and Mao have shown how intellectual efforts can be kept glued to social reality through concrete actions.

But I digress. Problems of poverty and development had offered economics an opportunity to re-examine itself, but instead all that economics did was to convert these into its own terms. But for various reasons the terms of economics, especially of the Anglo-American variety, are too limited to comprehend these problems. Hence development economics could at best be only a distortion of the reality of the development problem and only by stepping out of its limited terms of references can one begin to understand that reality.

The Ownership question and the Problem of Power

The unreality and distortion of development economics, as of economics itself, is to a large extent due to its unwillingness to enter into what is probably the most crucial aspect of the development problem—the question of the ownership of resources. Although the ownership question was at the centre of economics in the early days of its evolution, it seldom, if ever, figures in the sophisticated Anglo-American economics of today where it is considered to be an 'institutional factor' beyond the scope of 'pure theory'. So complete has been the exclusion of the ownership question from the normal theoretical discussions in Anglo-American economics that those who are trained in it do not know how to handle it even when they recognise its importance.

I was myself caught up in this dilemma for a long time. In my doctoral thesis (completed in 1962) and in *A Theoretical Approach to the Indian Economy*[1] I had examined the role of the ownership of resources in the allocation of resources. In fact in *A Theoretical Approach* (delivered as an Endowment Lecture of the Madras University early in 1966) I had systematically examined the crucial role of the ownership of resources for the performance and growth of economies like ours. And yet in *Our Five Year Plans*[2] (completed during the summer of 1966) I had little to say about the ownership question in the context of planning in India. But when one steps out of the narrow theoretical frame of Anglo-American economics and looks at the

[1] Asia Publishing House, 1970. [2] C.I.S.R.S., 1966.

problems of poverty and development straight in their face, the ownership question appears to be the crucial issue in understanding these problems. In my professional as well as popular writings during the past five years I have tried to bring ownership into the centre of the discussion of poverty and development, and to spell the relationship between ownership, poverty and growth. I have no doubt in my mind that one of the main reasons for the Indian predicament today is the unwillingness to face the question regarding the ownership of resources.

This reluctance to confront the ownership issue is basically the reluctance to confront the problem of power. For ownership is one major basis of power. And the economic theory that most of us have acquired conveniently passes over this entire problem. In traditional neo-classical theory (which is what our text-books are concerned with) the issues related to power are all evaded by assuming that there are such large numbers of decision-makers as consumers, producers and resource-owners that no one is able to influence the market which becomes the only power in the system. But the market is an impersonal power, and consequently a power without vested interest. The 'purity' of the system is thereby guaranteed. And, of course, neo-classical theory abhors any kind of power which is also a vested interest —monopoly for instance. Thus through convenient assumptions and through overt pronouncements against 'monopoly power', which even in the so-called neutral economics smacks of moral indignation, the impression is created of a 'free' system in operation. It is only when one begins to look behind this facade that one comes to learn how terribly deterministic the 'free' system really is. The consumer has no choice but to maximise satisfaction and the producer has no choice but to maximise profit, all determined by the impersonal forces of the market. Whatever might have been the intentions—and it is possible that the intentions were indeed innocuous—what respectable economics has created is a corpus of theory and a kit of analytical tools that cannot even recognise power where it exists and exerts itself. Banishing the ownership question was necessary to convert this impotence into elegance. Once the real but awkward issues were pushed out it was possible to perfect a technique of analysis which elegantly and accurately dealt with a host of non-problems.

The sterility resulting from the exclusion of power from the contents of economics is beginning to be recognised by the profession itself. Galbraith touched on this crucial issue in his 1972 Presidential address at the annual meeting of the American Economics Association and claimed that in eliding power economic theory had destroyed its relation with the real world. Nowhere is it more true than in the treatments of poverty and development. A certain gulf between social reality and professional theory is perhaps inevitable, but by cleverly dodging the problem of power professional economics has not only distorted the problems of poverty and development in the academic sense, but has also become one of the main impediments in solving these problems in a practical sense. Neutral economics is very much the ally of the rich and the powerful against the wretched and the oppressed./

The dodging of the problem of power must also be seen as part of the attempt to retain power. The elites in countries like ours who rely on the 'scientific' economics are not only academic and social elites, but power elites as well. Their power arises from the vast inequalities that the present system tolerates and perpetuates, for they are very much part of an affluent minority. Consequently any effective attempt to eradicate mass poverty and to arouse the masses is a direct threat to their existence and operations. A subtle device used by those who wield power is to pretend that power does not exist at all!

Unlike the 'science' of economics of the Anglo-American world the 'scientific' economics of Marxism explicitly recognises the ownership question and the power question. In fact ownership and power are very much at the centre of Marxist economics and the Marxist approach to economic development. Consequently the Marxist diagnosis of the poverty of our land stands in refreshing contrast to the many sterile and inane accounts of the problem that one usually comes across. Marxist economics also has the advantage that it does not have to search for new explanations for the problem of under-development, which is very much a manifestation of the colonial and capitalist exploitation which is the central theme of Marxism. The directness with which it diagnoses the problems of poverty and development has given Marxism a new respectability and credibility that it did not command in certain circles so far. For many it seems to take the place vacated by western economics.

But if eliding ownership and power was the academic vice of liberal economics, the facile identification of ownership with power is the academic vice of Marxism. Partly because it was a fairly accurate picture of the emerging capitalism of his times, but mainly because of the analytical requirements of the dialectical technique he was using, Marx divided society into two classes—the capitalist who owned all means of production and the proletariat who had nothing other than their labour to rely on. In this 'ideal type' model, of course, there is and has to be a complete identification of ownership with power which certainly drives home a point deliberately or accidentally overlooked in other systems of thought. But to absolutise this identification, I believe, is to miss that very point, and thereby lay the foundation for another sort of mis-representation of the real situation. 'True' Marxists will no doubt challenge my very attempt to present Marxism as a mere model, and will claim for it a uniqueness which prevents it from being compared with or even listed among other systems. Whatever may be the belief of the faithful, I cannot see how today it is possible to deny that knowledge is power, organization is power, vote is power. Even granting that ownership is the main and crucial base of power, it seems neither possible nor necessary to insist that power arises solely from ownership of resources. When there is an organised effort to achieve 'development' it is very important to recognise the plural bases and multidimensionality of power. Identifying the many bases of power, examining their relative strengths and studying their complex inter-actions—all this is necessary to evaluate development strategies and to interpret the diverse social processes related to both poverty and development.

Such an approach to power calls for the scrutiny of the network of relationships and the patterns of decision-making in the system. Here again, there are several 'ideal type' models which, if not taken too literally can yield many insights about the actual working of the system which are necessary to understand what is going on as well as to decide how changes can be effected. The networks of relationships, however, are not abstract entities. They are embodied in the institutions of the system. Decision-making, again, is not an impersonal process as is often assumed. The decision-making power is motivated through interests of individuals and groups of individuals such as class, and finds expression in and through the institutional framework of the system. In this sense the study of poverty and development is 'institutional' as Myrdal rightly insists. And development can be thought of as a process whereby one set of institutions is replaced by another.

That a study of development through ownership, power and institutions cannot be undertaken through the limited concepts and analytical tools of economics, or any other single discipline for that matter, is now widely recognised. There is now a growing tendency, therefore, to turn to many facile multidisciplinary approaches. One hears these days of the 'economics of poverty', the 'politics of poverty', the 'sociology and culture of poverty' etc., and of attempts to tackle the problems of poverty through a many-sided probe. It is doubtful whether such an approach can be particularly fruitful. For the inability of liberal economics to cope up with themes like development is shared by its sister disciplines as well, and is indicative of a rather deep epistemological malady. The emergence of half a dozen specialised disciplines to deal with the same social phenomenon is itself the result of liberal education's built-in tendency to fly away from realities. 'If we shut our eyes to realities we may construct an edifice of pure crystal by imaginations, that will throw sidelights on real problems; and might conceivably be of interest to beings who had no economic problems at all like our own', wrote Marshall many decades ago, in an attempt to get economics firmly footed on the ground. Most of the 'disciplines' that we talk about are edifices of pure crystal, refined, elegant and glittering, too refined and too sophisticated indeed for anything except to be preserved in show cases. And if one glass crystal cannot crack a rock, half a dozen of them are not going to succeed either!

This is not to say that only after a new method of approach is perfected can we tackle the pressing problems of our day. Through confrontations with these problems all our disciplines must be brought down to earth. And when they discard their celestial garments and get down to work they will discover themselves and others anew. I can only narrate here how as a trained economist I have tried to analyse the problem of poverty and development which has overshot the confines of my own specialisation.

The Present Approach : a Note of Explanation

I have, in the first instance, tried to make the concept of development concrete and specific by linking it up with the practical problem of poverty. It is amazing—and amusing—to recall how for a long time professional economists fought shy of this word. In fact it hardly ever occurred in the professional literature of development economics in the fifties or early sixties. 'Economically backward' countries, 'Underdeveloped countries', 'Developing countries'—such decent terms were liberally used, but as Myrdal has remarked the sense of diplomacy in international aid programmes as well as in research prevented the use of the terms 'poverty' and 'poor nations'.

But the issue is not only terminological. For me, linking up development and poverty also meant a de-linking of development and nations. Poverty is not of nations, but of people. I had vaguely connected development and poverty for a long time: the opening chapter of *Our Five Year Plans* is on 'The Poverty of India'. But the development issue was so closely associated with countries and nations that the emphasis turned out to be on the poverty of *India.* A country orientation to the concept of development was almost inevitable in the early days of the emergence of the concept. The development issue arose in the context of the emergence of the ex-colonies as independent nations with their resolve to use national freedom to build up their economies. *National* income became the yardstick to measure development. And inter-*national* aid was one of the earliest measures to foster development. The early association between development and nations still continues. But we get the wrong perspective about development when it is viewed basically as something meant for inter-country comparisons. The objective of development turns out to be to 'catch up' with the richer countries of the world; the procedure of development becomes a course of imitation, the attempt to follow their path. What 'developed' countries have and 'underdeveloped' countries do not have (be it savings or steel or the modernization ideal) comes to be identified as the *sine qua non* for development. And production and growth come to be accepted as the patent drugs to cure underdevelopment.

When development in its economic sense is recognised as dealing with the problem of the poverty of some people *and* the affluence of others within nations and between nations, it is bound to assume new dimensions and pose new questions. At a relatively early stage I defined poverty as the situation where some continue at the subsistence level while the surplus of others is growing. If development is viewed as an attempt to solve *that* problem the Pandora's box is thrown open indeed. Surely, lack of capital formation cannot be the only reason for such a state of affairs. 'Growth' may not solve the problem, but can in fact accentuate it. The increase of national income cannot be the sole criterion to measure development; it is also important to know how the income is distributed. An increase in production may be necessary but it is equally necessary to know what is being produced. And to know that, it is important to find out who makes the production decisions and on what basis. . . One question leads to another and development becomes an all-comprehensive sociological problem or a humanistic doctrine calling for an 'integral approach'.

Such a transformation of the concept of development is necessary, but dangerous as well. The danger lies in the temptation—very prominent in religious circles, particularly—to think of development in abstract terms of issues, beliefs and cultures. In my key note address to the All India Christian Consultation on Development ('The Concept and Content of Development') I underlined this danger. I insisted that if for some development is the new name for peace, for many it is just another name for food. And I added: 'When we attempt to lift development from its worldly moorings, let us be warned that it hides the danger of being preoccupied with ethereal issues to evade our responsibility for the earthly miseries of others.' This was meant neither as a piece of rhetoric nor as a warning to ecclesiastics alone. I have discovered that the tendency to use concepts to confuse issues (inadvertent though it may be) is common among economists also. One of the clearest cases is the economists' use of the term 'growth', which is perhaps the most professional of the terms that they use irrespective of the particular 'schools' that they belong to. And one of the claims that economics puts forward to be considered a 'science' is that it has developed a technique to measure 'growth'. But precisely because of this success, there is a tendency among economists to consider that which is being measured and compared to be something material and physical.

In one of my recent papers entitled 'What is Growth?' I tried to expose this fallacy and to establish that the economists' concept of 'growth' is a *social* phenomenon as it is based on a concept of valuation which cannot but be social. If this is so, all the appeals for growth-in-the-abstract must be seen to be vacuous: those who plead for growth must also specify what it is that they want to see grow. This is not metaphysical hairsplitting. In the context of the discussions on development, for instance, economists, and, following them, others who parrot them thoughtlessly, assert that what poor countries need first is 'growth', while 'social' objectives such as distributive justice must or can come only after 'growth' has been achieved. The recent discussions in our country on 'growth and social justice' have shown many instances of confusion arising from a lack of clarity regarding these concepts. Economists are fond of pretending that 'growth' is a precise scientific concept whereas social justice is a vague, popular slogan. And those who are committed to social justice in the abstract often fail to translate it into concrete terms. In the paper on *Garibi Hatao* I have tried to spell out the implications of both growth and social justice to bring them together in a programme of action. The only way to avoid confusion at the conceptual level is to put content into the concepts by making the words take flesh in concrete and specific situations. To engage in the dialectics between the broad generalisations underlying the development theme and the specific practical issues relating to it is, in my view, the main task of an economist working in this area.

Perhaps I ought to illustrate this statement with reference to the concerns of development in the specific Indian context. If one may use the language of the First Five Year Plan, the aim of development in the country is to 'open to our people opportunities for a richer and more varied life'. The First Plan itself, and subsequent Plans too, interpreted this objective to mean primarily that there should be a measurable improvement in the national income and *per capita* income of the country. Considering the inadequacy in investment as the main reason for the absence of development in this sense, the Plans also spelled out a strategy to step up investment in the economy through increased savings and through foreign aid. The Plans attempted much more than this, to be sure. But it seems reasonable to suggest that the main strategy of the Plans has been the attempt to increase national income through a stepping up of investment.

In contrast, consider the aim of development somewhat as follows: If the aim of development is to 'open to our people opportunities for a richer and more varied life' its impact must first be felt on the lower forty per cent of our population who now exist in a state of dire poverty. Consequently, the increase in output to be attempted must be primarily on output that this section of the population would require—food and inexpensive clothing, let us say. But in an economy based essentially on private profit considerations and characterised by steep inequalities in the ownership of physical resources, the production of these goods in the required magnitudes is not likely to take place. Hence a *pre-condition* of the development objective is a drastic reduction in the existing concentration in the ownership of the means of production, especially of land. Such a change will also necessitate new kinds of production organisations and production processes.

This sequence could be further developed to outline a concrete programme of action for the implementation of which the necessary political will and resources could be mobilised. But we know that this is not the way the development process has been conceived in our country. It would appear that we were not concerned with tackling the immediate practical problems. We were more eager to arrive at a synthesis of capitalism and communism through our version of socialism called the 'mixed economy'; we were determined to demonstrate that it is possible to combine the politics of western democracy with the economics of socialist planning. In short, our main preoccupation was with a noble conceptual experiment. No wonder then that we have not solved our practical problems of hunger and poverty after a quarter century of highbrow experimentation. The surprising thing is that over 200 million starving people have allowed and still continue to allow a handful of parasites to go on with their experiments in illusory syntheses! But possibly the days of the dreamers are numbered, and the revolution of rising expectations that the enlightened have been trying to bring about for the sake of the poor may soon turn out to be a revolution of growing frustrations and despair.

II. The Indian Scene

The Facts of the Indian Situation

Against this general background I shall now briefly comment on the themes that the papers in this collection deal with. Most of them are concerned with analysis and interpretation of the process of development in India.

A recent writer[1] has argued that the economic growth that has been achieved in India since Independence is of the same pattern that the country saw during the Moghul and Colonial periods. The Moghul economy, he points out, was in many respects highly sophisticated and its performance at times matched that of western Europe. But the socio-economic structure was such that the warlords and the elites of the times prospered at the expense of the others and the caste hierarchy institutionalised the inequality. The composition of the upper crust of society changed during the colonial rule. The warlords were replaced by the princes and zamindars maintained by the British. The military machinery and the bureaucracy introduced some new elements in the social pyramid at the top. A modern industrial and commercial sector was created on a limited scale with heavy reliance on British managing agencies with very limited diffusion of skills to the people of the land. According to Maddison, 'Since independence, the major changes in social structure in India . . . have been the transformation of the Moghul remnants (zamindars and princes) into state pensioners, a reduction in the role of foreign capitalists, a growth in local capitalist and professional classes, a sharp expansion of the size of the military-bureaucratic group, and a further widening of income differentials in the countryside. Growth has been faster because the bureaucracy has been able to act as a modernizing elite . . . and village capitalists have played a more productive role than they did in the colonial period.' Moghul India, Colonial India and the India since Independence have all conferred benefits and favours on the upper income groups in society, while all through these ages the poor half of the population has continued in dire poverty and squalor. Independent India has registered impressive achievements in the economic sphere, but the pattern remains the same: the affluence of the few and the misery of the many.

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[1] Angus Maddison: *Class Structure and Economic Growth*, London, 1971.

The pattern of development since Independence has continued to be the same in its essentials as in the Moghul and colonial periods—in spite of the many pronouncements to the effect that our attempt has been to alter it radically. One of the clearest statements in this regard is seen in the official document entitled *Towards an Approach to the Fifth Plan* published in June 1972. According to it, 'Economic development in the last two decades has resulted in an all-round increase in *per capita* income. The proportion of the poor, defined as those living below a basic minimum standard of consumption, has slightly come down. Yet the absolute number of people below the poverty line today is just as large as it was two decades ago. *And these people living in abject poverty constitute between two-fifths and one half of all Indian citizens*' (emphasis added). It is true also that while one half of all the citizens of India have continued to be in abject poverty, those in the upper half, especially those in the very top layers (say the top 10 per cent or so) have made substantial gains in their position. And so the cliche has come true in our case: two decades of planned economic development have led to the rich becoming richer and the poor becoming poorer. An extensive statistical study on *Poverty in India* (by V. M. Dandekar and N. Rath) has documented it also. After examining the decade of the sixties the study came to the conclusion: 'The gains of development have remained largely confined to the upper middle class and the richer sections constituting the top 40 per cent of the population . . . The *per capita* consumption of the lower middle and poorer sections constituting the bottom 40 per cent of the urban population declined by as much as between 15 and 20 per cent . . . In the rural areas the consumption of the 20 per cent poorest population increased by less than 2.0 per cent in seven years from 1960-68 and the consumption of the poorest 5 per cent actually declined by about one per cent.' It must be mentioned that these comparisons are about the relative shares in consumption of the different income groups and that they do not necessarily say anything definitive about the actual income or consumption levels of any section of the population. But there is independent evidence to show that over the past two decades, the poorer sections of society, agricultural labourers in many parts of the country, for example, have become worse off in an absolute sense also, considering the fact that whatever gains they may have made in terms of monetary earnings have been more than neutralised by the rise in prices.

These, then, are the facts of the Indian situation, although it is possible to cover them up by a parading of our undeniable achievements in increased production in most sectors of the economy. The problem relates to the interpretation of these facts. It is not uncommon to argue that since we have the good intentions to reduce inequalities and to improve the lot of the poor, what has happened must be accidental. And a variety of explanations is offered which range from acts of God and acts of our neighbours to population explosion and our lazy work habits. That droughts and floods, wars and refugees, and the numbers and work habits of people all influence the performance of their economy can hardly be questioned. However, the performance of an economy is determined primarily by the manner in which resources are utilised, and this in turn is decided by the ownership patterns and power alignments in the socio-economic system. On this basis I have argued in a number of the papers that follow that what has happened in the country during the past two decades is but the natural consequences of the system we have, whose two main characteristics are an excessively uneven distribution of the physical resources and a pattern of production based on private (profit) motivations governed essentially by market forces. Tall claims are made for the market economy in terms of its ability to produce what the consumers want. But it is easy to overlook the fact that the performance of the market economy presupposes a minimum of initial endowments of resources for every consumer so that he will have the purchasing power to express his wants through the market. Even under such circumstances, while wants may be satisfied, there is nothing to guarantee that needs will be met. But where the required initial endowment conditions are not present, the laws of the market can only lead to perverse results. This is because the laws of the market themselves do not prevent any participant from using the market to his own advantage if he can do so. With extreme inequalities in the distribution of resources this is precisely what will happen.// Those who have the economic

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power will use the system itself to increase their command over resources. Growing inequality resulting from some becoming rich at the expense of others is built into the system itself.

Garibi Hatao

It is against this background that we must examine the problem of poverty and development in India. When a programme of planned economic development was initiated in the country, increase in production and reduction in inequalities were accepted as its twin objectives. But the accent has been on the former. The emphasis on production and growth was supported both by what was considered to be the logic of development and by the logic of the system itself. On the academic side, since poverty and development were measured in terms of *per capita* national income (national income divided by the size of the population), it appeared eminently logical to suggest that increase in national income and check in the growth of population were the surest ways of eradicating poverty and ensuring development. Such an arithmetic approach to development is still very widely accepted and its claims will have to be examined in the subsequent discussion on the population problem. For the moment what is important is to note that the logic of development which gave primacy to growth was also willing to accept an increase in inequalities in the 'short run': in fact it was considered to be necessary on the assumption that the rich would save more and thus accelerate growth. The argument was supported by the belief that in 'the long run' growth itself would reduce inequalities. In the paper on 'Garibi Hatao' I have examined these arguments and exposed their weakness. One of the preparatory documents relating to the Fifth Five Year Plan concedes the impracticality of the 'growth first' thesis. After a quarter century of attempted growth to eradicate poverty, it is conceded: 'Available projections suggest that if one were to rely on growth alone without directly tackling the problems of unemployment and income distribution, it may take another 30 to 50 years for the poorer sections of the people to reach the minimum consumption levels (of 2,200 calories per day, that is!). It will be neither feasible nor desirable to contemplate a waiting period of anywhere near such a duration.'

But, of course, it will be wrong to suggest that the development policy in the country was based solely or mainly on considerations of academic logic. If this were so the errors in the policy would have been corrected as soon as the fallacies of the argument were noticed. The fact is that the 'growth first' approach to development is the natural expression of our socio-economic system characterised by extreme inequalities in the ownership of the physical means of production. It is the only approach which confers favours on the owners and decision-makers of the system. It is for this reason that I have pointed out over and over again in the papers that follow that a pre-condition for the abolition of poverty in our country is the redistribution of resources and of decision-making power in the system. But changes in property and power relations are the hardest things to achieve, and this is the basis of the Indian predicament.

A review of our past policies and performances will show that in our attempt to eradicate poverty we have attempted practically everything—except what is really required. Initially we pinned our hope on massive foreign resources and the community development programme. Foreign aid did come from many countries and through various agencies. It helped us possibly to have more food and steel and cosmetics produced in the country, but left the poorer sections of the country where they were. The much-publicised community development programme of the First Plan period floundered because of the effort to establish a sense of community in the rural areas without altering the rural power structure and the iniquitous land ownership patterns.

During the Second Plan period we attempted an imitation of the Soviet strategy of long-term development with emphasis on heavy industries, concentrating them in the public sector, hoping that the State would come to have effective control over the 'commanding heights of the economy'. We forgot, however, that the Soviet attempt to build up heavy industries was successful partly because the Soviet Union did not have the problem of mass poverty like ours and also because the Soviets succeeded in having an effective control over consumption above basic requirements, thereby ensuring that all surplus generated was indeed ploughed back into the process of rapid industrialisation. The Second Plan had also envisaged that the demand generated by the massive investment in the basic industries would stimulate the economy as a whole and would result in a substantial increase in employment and production in the household sector. But, as I have shown in the paper on 'Garibi Hatao', this strategy had completely overlooked the actual forces in action in the economy and consequently resulted in increased profits for the bigger and richer producers and growing misery for the household producers. In the paper on 'Planning and Prices' I have gone further into this problem to show how the power groups in the economy used the Second Plan's strategy to their own advantage and how it formed the basis of the inflationary pressure in the system, further deteriorating the lot of the poorer sections in the community.

The failure of the 'mass based' community development programme during the First Plan period and the failure on the food front during the Second Plan forced us to retreat into a 'selective attack' on our major problems. We decided to rely on the powers of modern technology and the abilities and readiness of a few 'innovative producers' to bring about an increase in output and a stimulus to growth. This was the basis of the 'Green Revolution' initiated during the Third Plan period and widely publicised during the three Annual Plans. The green revolution did achieve spectacular results in the food front, especially in wheat production in the Punjab. But the great expectations of a big break-through in agriculture and a consequent acceleration of growth in the economy as a whole have not materialised. On the other hand, the experience of the green revolution has shown the manner in which technology and the social structure inter-act in situations like ours. In the first place, it is now evident that while the technology of the green revolution itself is size-neutral, its adoption is severely restricted to the larger farmers because of the economic costs of the fertilizers and processes and of the higher element of risks in production. This is one reason why the green revolution has been 'successful' in the Punjab and why it may not easily spread to other parts of the country. A scholar who studied the problem[1] has shown that only 4 per cent of the cultivators in the Punjab cultivated less than 5 acres while 80 per cent of the farmers had more than 10 acres, of which 37 had more than 20 acres, showing how 'large' the farms in the Punjab are compared with the all-India levels. Even in the Punjab the bottom 20 per cent of the cultivators with holdings of less than 10 acres fared worst as a result of the green revolution. Secondly, it is clear also that the green revolution has led to very sharp and perceptible accentuation of inequalities in the rural areas. It has been shown, for instance, that in the Punjab itself the rural population below the minimum level of living increased from 13.6 per cent in 1960-61 to 49.9 per cent in 1967-68.[1] Again, in Tanjavur, the scene of the green revolution in the South, it has been shown that the agricultural labourers who belong mainly to the scheduled castes are worse off in the seventies compared with the fifties. Compared with such mass poverty, the rural areas now witness also the vulgar show of pomp and splendour by a small group of the newly affluent. It is this kind of polarisation that has led many, including government spokesmen, to remark that the green revolution may indeed be the beginning of a red revolution and that it is 'agitations for distribution of land to the landless which have elicited the maximum response and have also had a wide geographical spread.' The green revolution has demonstrated the potentialities of technology as a contributory factor in social change and has also given the lie to the much-repeated allegation that the 'conservative' Indian farmer is averse to change. But it has also shown that in a situation as complex as ours technology by itself is no remedy, and that socio-economic changes are a precondition for the realisation of the full potentials of technology.

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[1] Francine R. Frankel: *India's Green Revolution: Economic Gains and Political Costs*, Bombay, 1971.

After the devaluation of the rupee in 1966 and the doubts about the reliability of foreign aid which followed the Indo-Pakistan confrontation of 1965, 'self-reliance' became the catchword during the Fourth Plan. Accepting self-reliance as a policy objective without solving the deeper problems confronting the economy has again forced us into new kinds of dilemmas. In the name of export promotions and import substitutions a small group of industrial producers had to be given various forms of concessions and encouragements. In many instances these were the same of people who benefited from the flow of foreign aid in the earlier periods. Another aspect of this problem is seen in connection with the attempts to encourage tourism to attract foreign exchange. Catering to the foreign tourists has become the basis for conspicuous consumption in the economy in general, which explains to some extent the sluggishness of savings in the economy and its inability to accelerate investment. At the same time the efforts put in to attract tourists are opening up a source of high incomes and profits to a small class of rich businessmen who run hotels and other services for the tourists. In all these areas the chief beneficiaries are the contractors, the rapidly expanding executive class and a host of white and blue collar workers, all belonging to the upper crust of society. The Fourth Plan document itself recognised the nature of our predicament. It said: 'The inability to mitigate in any significant measure the inequalities of income and wealth is a reflection of the dilemma which arises in the present phase of development—the concern for achieving the desired increase in production in the short run often necessitates the concentration of effort in areas and on classes who already have the capability to respond to growth opportunities.' The document, of course, attributes our dilemma to the 'present phase of development': it refuses to accept it as a result of a system where only the few have the capability to respond to growth opportunities.

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[1] Pranab Bardhan: 'Green Revolution and Agricultural Labourers' —*Economic and Political Weekly Special Number*, July 1970.

The Fifth Plan's Approach to Poverty

And so we have come to the seventies and to the Fifth Plan with a vague awareness that something is wrong somewhere. In the heydays of the 'Garibi Hatao' slogan we resolved to make a 'frontal and direct attack' on poverty. In the papers on 'Garibi Hatao' and 'The Fifth Plan's Approach to Poverty' I examine the strategy for this attack. To be brief, what the Fifth Plan suggests is a transfer of incomes from the richer to the poorer section in society and a special emphasis on the 'minimum needs programme'. Admittedly, this is more of a 'frontal attack' than anything we have done so far. But two questions must be faced if we are to evaluate this strategy. The first is whether an increase in the goods needed by the poor by itself will ensure that they come to have those goods. If such goods are not going to be freely distributed (an unimaginable task), how are the poor to buy these goods? Can they come to have the purchasing power unless they have a part in the production process? And

✓ can they become a part of the production process unless the existing property relations are radically altered and unless new patterns of production emerge? Secondly, where the incomes of the rich are allowed to grow, what is the mechanism to reduce their consumption and the production of the goods that the growing rich will increasingly demand? And what is the guarantee that the necessary political will can be generated for the massive transfer of incomes from the rich to the poor with all other aspects of property relations and power configurations left unaltered? On these grounds I come to the conclusion that even the Fifth Plan's 'direct attack on poverty' will not make any dent on the problem of mass poverty in our land.

It will not be fair to say that there have been no attempts to change our basic socio-economic structure. 'Radical' land reform legislations have been a regular feature of our socio-economic landscape ever since Independence. There was first the abolition of the Zamindari system which conferred ownership rights on nearly two crore erstwhile tenants of former zamindars and jagirdars. Like the abolition of the privy purses to the princes in more recent times, zamindari abolition was achieved with much publicity and claims of revolutionary social process. But in effect it was little more than a legislative achievement without any significant change in their legal status. And, in any case, their economic interests were not affected because of the compensation paid to them, in all amounting to a massive sum of Rs 200 crores. The real test came in the subsequent attempts to fix rents, protect tenancies, put ceiling on land holdings and ensure that there was an effective transfer of lands to those who were cultivating it. Here again, revolutionary legislations have been passed by most state legislatures. But an official document in the mid sixties confessed: 'Substantial areas in some regions of the country are still cultivated through informal crop sharing arrangements; there are ejectments of tenants through the device of voluntary surrenders; the fair rent provisions were not enforced effectively in all cases; and the ceiling has been evaded through the well-known device of transfers and partitions and not much land has been available for distribution to the landless.'[1] More recently, the Central Planning Commission's Task Force on Agrarian

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[1] Draft outline of the Fourth Plan 1966-71.

Relations was led to conclude: 'A broad assessment of the programme of land reform adopted since Independence is that the laws for the abolition of intermediary tenures have been implemented fairly efficiently, while in the field of tenancy reform and ceiling on holdings, legislation has fallen short of proclaimed policy, and implementation of enacted laws has been tardy and inefficient. . . . The programmes which could have led to a radical change in the agrarian structure and the elimination of some of the elements of exploitation in the agrarian system and ushered in a measure of distributive justice were those of tenancy reform, ceiling on agricultural holdings and distribution of land to the landless and small holders. . . . These programmes cannot be said to have succeeded. Highly exploitative tenancy in the form of crop-sharing still prevails in large parts of the country. Such tenancy arrangements have not only resulted in the perpetuation of social and economic injustice but have also become insurmountable hurdles in the path of the spread of modern technology and improved agricultural practices. Thus the overall assessment has to be that programmes of land reform adopted since Independence have failed to bring about the required changes in the agrarian structure.' While land reforms have thus failed to protect the poor, credit facilities, co-operative enterprises and various other forms of inducements to increase production have resulted in a strengthening of the position of the rich. Thus, instead of a programme of land distribution to the poor, there has in effect been a systematic land grab by the rich.

The nationalisation of the commercial banks in 1969 has been claimed to be another 'bold step' to change our socio-economic structure. But apart from the political publicity it was given the total impact of this measure on the basic socio-economic problem has been negligible. The nationalised commercial banks have started many new branches including a substantial number in the rural areas. Many new schemes have been sponsored. But almost by definition these operations cannot reach the millions who continue to be on the verge of subsistence.

Planning and Prices

From all this one is forced to arrive at the sombre conclusion that our system has its built-in biases against the poor and that attempts to change it so far have been half-hearted and ineffective.

The question then arises whether the system can be used to destroy itself. Our knowledge of the dynamics of the system remains woefully inadequate for us to be able to say whether its rigid strength can be loosened and whether the seeds of destruction will sprout from such crevices. And this is one of the most unfamiliar areas for an economist. My own reflections have only led me to conclude that one's understanding of this problem is closely linked with one's understanding of the nature of power alignments in the system. In the paper on 'Planning and Prices' I have made a rudimentary attempt to deal with this issue. But my attempt there is far from satisfactory. I have some further thoughts on the subject which, though rather hazy, I would like to spell out here with the hope that it may lead to further enquiries in the area.

Changes in social systems come about, I believe, at least in two different ways. The first is the case of polarisation of power, i.e., of absolute conflict, as so vividly and convincingly portrayed by Marx. The process of dialectics which Marx took over from Hegel and the ancient Greeks is, in some sense, the classical tool of dealing with change. But change can also result from the plurality of power in a system, where different configurations of power exist and overlap. This probably is the more general nature of social systems. What the dialectic technique does is to take such a general situation and impose on it a division by dichotomy to bring about polarisation in the analytical sense. Polarisation and absolute conflict (i.e., A confronting non-A,) must of course result in change. However it does not follow that polarisation is the only mechanics of change. Change that is less spectacular can also result form relative conflicts resulting from the overlapping of power configurations, especially when different sources exist as the bases of power. A search for the many sources of power in a system and an understanding of the differing densities of power configurations is thus the first step in an approach to the problem of social dynamics.

Social transformations are brought about by using some power group as a lever to alter the configuration of powers in a desired direction. Whatever may be the logical appeal of the polarisation thesis, it is important to note that no actual social transformation—including the many Marxist revolutions that this century has witnessed—has resulted from the kind of clear polarisation envisaged in Marxist dialectics. In effect the process of transformation is almost invariably, and perhaps inevitably, brought about by a small minority group, be it the militia or a well-organised workers' movement. But its permanence will depend either on the force that this minority is able to use on the majority and/or on the training—including indoctrination—given to the majority to accept the new situation. Herein lies the importance of an ideology to bring about social transformations.

Strategy and Goals: Goals of Development

In the Indian context the present order is one that is perpetuated by a minority because of the vast economic power they possess. The majority are those oppressed by the system and who stand to benefit by its collapse. Creating an awareness on the part of the majority—the poor and oppressed majority—about the real nature of the system is therefore a major pre-requisite for an effective transformation of the system. I have underlined this aspect in the paper on 'Strategy for Development' where I have identified development with a conscious and deliberate mass movement. Such a mass movement can be effected only through organising for action and through various forms of new institutions some of which I have sketched in that paper. Such institutions also serve as new centres of power however limited their density may be to begin with. What is significant is that they form a new basis of power—the power of an informed and organised people as contrasted with property power, for instance. The building up of such a new power base is necessary to bring about a separation between property power and political power which so often tend to merge. When they are merged—and such a merger can take place both under private and social ownership of property—they become a very dense power configuration. But if they can be separated, they can be used to neutralise one another to a large extent. People's power can then use political power to fight property power.

India: A Political Profile

With these preliminary observations I would address myself to a question so often discussed: Can a social transformation in favour of the poor be brought about through the instrumentalities of the parliamentary system? In the paper 'India: A Political Profile' I have entered into a brief discussion of this question. I have noted there (as also in the paper on 'Goals of Development') that a major dilemma in India today is that at the moment there is no easy way of destroying the parliamentary system or of transforming it. Part of the reason for this is that we have come to have too much of an attachment to the system itself. The parliamentary system, I believe, is essentially a system of instrumentalities; but we look upon it often as a social system, conferring on it the status of a goal to be achieved, instead of a means to be used. It is true also that if it is not deliberately used as a means, it will tend to become an end in itself, glorified and idolised. Viewed as an instrument it is only a manifestation—just one possible manifestation—of political power for legal action. It can be used to channel people's power for deliberate and decisive exercise of legal power. But very often it can become an instrument for lesser objectives. What has happened in India (as I have tried to show in the paper on political profile) is that the parliamentary system has become an instrument to achieve and retain legal power without a further sense of purpose. The desire to capture and control the machinery of legal power has become an obsession with all our political parties including the ones which are committed to a radical transformation of the social order. When this happens, the parliamentary system degenerates into a means to achieve electoral victories. The unfortunate fact is that in India during the past quarter of a century political exercises of various forms and shades—splits, mergers, coalitions, defections—have all been geared to the achievement of electoral victories alone. The trouble with political exercises of this kind is that they have to exclude the masses from this game, and consequently the problems of the masses get relegated to the background. This is a sorry state of affairs, but it indicates that certain transformations of the parliamentary system are possible. I believe it is equally possible to transform the parliamentary system in the opposite direction, to get it to be a true reflection of the power of the people, though such a transformation is a Herculean task.

In our situation the test of a transformation of this kind is whether the political power for legal action that the parliament represents can be used *against* the property power that the minority has and stoutly defends. It is true also that the legal structure and political frame themselves often become weapons of that defence. But the hope for a social transformation rests on the fact that property power and political power are not identical under all circumstances, and that even where they appear to have merged a crack can still be brought about. Mass organisations and movements are the thin end of the wedge for this purpose.

In our socio-political system there is a near complete identification of property power and political power at the local level, especially in the rural areas. The intensity of this identification diminishes substantially at the next higher level—the district, for instance. The identification becomes more pronounced, again, at the State level and weakens somewhat at the Central level, where political power, the power of the vote, can become (but so far has not become) an effective counter to economic power.

Plans for social change must take these realities into account and work out an effective strategy of action. At the local level, for instance, particularly in the rural areas, the poor and the powerless must be organised to fight for the rights that the existing system itself gives them, civil and economic. The right to exercise the franchise freely and independently, claims to land where legislative action has already been taken in this regard, enforcement of minimum wages, etc., are matters which will become realities in many instances only by exerting organised pressure. Such local pressures must be reinforced by the creation of new institutions at the district level (perhaps of the type I have suggested in the paper on 'Goals of Development') which will make the decision-making power of the poor effective and thus further loosen the links between property and political power at the local level. If such a mass base is built up for effective action it can be strengthened upwards to the State and Central levels as well. Such a process, I believe, can become the basis for a radical transformation of our socio-economic system. The parliamentary system and economic planning can be used to achieve a transformation of this kind. But it must be confessed that these instruments tend to be used more for the preservation of the existing order than for its transformation. For instance, in spite of the very pertinent observation in the Second Five Year Plan document that 'the task before an underdeveloped country is not merely to get better results within the existing framework of economic and social institutions, but to mould and refashion them so that they contribute effectively to the realisation of wider and deeper social values', our Plans have made little effort in this direction.

Conventional methods of achieving the social transformation by a complete overthrow of the existing system through the mediation of a well-organised minority are certainly more appealing. They have a sense of decisiveness about them and more of a practical bent. But in our country where does one turn to for such a group which can be used for the overthrow of the system? Marxists, of course, will insist that the organised workers are *the* agents of the social revolution. But, again, if we go by the realities of the situation—rather than by text-book logic—it will have to be admitted that the organised workers in our country are far removed from the poor economically and emotionally. They are also one of the chief beneficiaries of the existing order. They will certainly use the powers of their organisation to fight for further privileges for themselves, but can they be organised *against* the system?

I remain an agnostic as to which of these methods of social transformation will in fact become effective in the Indian situation. Neither are these the only two metamorphoses that our system can come to have. The parliamentary system can easily be transformed into a system where economic, legal *and* military powers converge. It is doubtful if a conventional military take-over will materialise in India, in the immediate future at any rate. But the merger of the economic, electoral and military powers within the framework of the parliamentary system cannot be ruled out and is a distinct possibility although its actual manifestation cannot easily be predicted. And it is futile to debate whether such a system should be considered as an open case of State Capitalism or as a subtle form of National Fascism. In any case why must one be preoccupied with the question of labels? I can see that if such a transformation takes place it may come to be interpreted as an evidence of the resilience and adaptability of 'Indian Democracy', or as a new form of 'Indian National Socialism' conducive to Asian security or even as a necessary step in the way to the 'Indian version of People's Democracy'!

I must add too that while I strongly canvass for a social transformation through a drastic reduction in the concentration of ownerships and of decision-making power and while I visualise mass movements playing a crucial role in that process, I entertain no illusions that such a transformation will in itself solve our problems for ever. It can be just one more major step like Independence. It can open new possibilities. It can almost certainly eradicate mass poverty. But it will also bring in new tensions, new problems, even new forms of tyranny and exploitation. But let not the fears about the uncertainties of an unknown future prevent us from moving out of our present rut.

III. 'Asian Drama' and 'Limits to Growth'

There are two papers in this collection which are less directly related to the Indian scene: the paper on Myrdal's *Asian Drama* and the one on Environment and the Quality of Life. I would like to comment on them briefly. I am afraid I found *Asian Drama* very much of a chop-suey: it has all the ingredients of an academic chop-suey—data, logic, analysis, analogy, seasoned with an overdose of pontifical sermonising! Since my review itself is rather long, I shall here touch upon only a few issues that I missed in the review and which have become clearer to me since writing it more than four years ago.

Myrdal's fundamental confusion has been that he chose to write about the poverty of nations, instead of the poverty *in* nations. Discussing the problem of the poverty of nations instead of the problem of poverty within countries, he has not been able to escape the snare of facile generalisations about '*Asian* values' and '*Asian* institutions' as being the main causes of poverty. Not that values and institutions do not have a place in understanding the development process. If development is more than bricks and steel, attitudes and ethos have a direct bearing on it. But attributing poverty to the habits and beliefs of the poor has been a rather old academic game of doubtful usefulness. 'The peasant, who might be induced to labour an additional number of hours for tea or tobacco, might prefer indolence to a new coat. The tenant, or small owner of land, who could obtain the common conveniences and luxuries of life at one third of their former price, might not labour so hard to procure the same amount of surplus produce from the land'—This observation about the poor people's limited wants and their reluctance to work hard is not Myrdal's, but of Malthus's written more than a century and half ago. What Malthus said about the poor of his own land was subsequently restated by many western scholars about the 'natives' of the colonies. In spite of his severe criticisms about the methodology of western scholarship of Asian problems, Myrdal is seen to be incapable of rising above this traditional colonial practice of speaking with condescending concern about the problems of the poor countries of the East. But if the problem of Asian poverty really is that many continue to be poor while some are growing rich, *Asian* values as such cannot be an explanation for that phenomenon.

Having chosen the wrong track for his enquiry, Myrdal is not in a position to focus on the fundamental problems of poverty. Poverty of nations for him is the result of all kinds of factors—of attitudes, institutions, technology, resources, climate and what have you. Consequently he has an omnibus 'social system' as his analytical tool where everything depends on everything else in an abstract sort of mutual interdependence. One can write a treatise on poverty in this manner, but one is neither closer to an understanding of the problem nor nearer to suggesting any remedies except that radical changes are required, but then 'Asian' societies are incapable of changing!

If Myrdal's concept of poverty is hazy, his notion of development is confused and misleading. Here again he cannot help feeling and believing that what the poor nations of the East are doing (or ought to be doing?) is to catch up with the rational, scientific and advanced societies of the West. Hence the identification of development with the 'modernisation' ideals, all of which are alien to the natives of the East.

Proceeding along such misdirected channels, it is not at all surprising that Myrdal cannot come to grips with the real tension and conflicts of poverty and development, and that he is forced to take an extremely pessimistic view about the prospects of the poor nations. His pessimism results from concern which is not backed by understanding. Myrdal has rightly pointed out that in studies on social problems optimism and pessimism mean nothing but biased views.

The more recent 'Limits to Growth' controversy also reflects a similar debate of moods. When the whole problem is approached almost exclusively in terms of the future of mankind, a battle of moods is practically inevitable: the pessimists say that it is self-evident that on a finite earth it is impossible to grow indefinitely, and the optimists insist that mankind in the past has overcome several limits, and that there is no limit to human ingenuity and adaptability. I was initiated into the discussion on these issues at an international consultation in Rome in 1971 when one of the authors of the now widely known Club of Rome's report on *Limits to Growth* gave a preview of its contents in a paper entitled 'The Carrying Capacity of Our Global Environment' to which I was asked to respond as a 'Third World' participant. From the very beginning I have been struck by two aspects of the problem. First, the seriousness and magnitude of the problem of finite and rapidly depleting physical resources and the dangers being caused by the misuse of resources; secondly, the rather simplistic manner in which the problem was being presented. I must confess that my own reactions related primarily to the second aspect. What I found rather naive in *Limits to Growth* and a great deal of subsequent discussions of the theme was the attempt to look at resources without reference to the social problems of ownership and control. I feel that a discussion of the extent and utilisation of resources in terms of global aggregates is too simple and hence a misleading treatment of the problem. One can sympathise with the physical scientists' attempt to present the problem in physical terms. But once it is granted that the rate of utilisation of resources is primarily a social (as against physical) issue, a mere physical approach to it is impossible. My encounter with the question of the utilisation of resources in India and the realisation of its social dimensions had enabled me to detect from the very beginning the weakness of a purely physical or merely technological approach to the use of resources in any context. But even social scientists in the West have been slow to appreciate this aspect. In the West the limits to growth debate has remained largely one of quantities and rates alone essentially in aggregate terms. The social scientists' physical approach to these matters has taken several forms. The world is now seen as one earth—one small, finite earth as best exemplified by Kenneth Boulding's celebrated essay on 'The Space-ship Earth'. Whatever may be the intentions of such a global aggregation (possibly it is meant to facilitate a global measurement of resources in physical terms), it conveniently evades issues of ownership and power which, as I have shown earlier, western economists would rather pretend do not exist at all. Similarly, in these discussions 'growth' itself is coming to be identified simply as a matter of quantities: if there was 'too much' of growth in the past, now we must reduce it, so runs the argument. It is presented simply as a matter of changing into reverse gear while the engine itself will continue to be what it has always been. It has its romantic elements too. 'Small is beautiful' is a slogan frequently heard in the West now. And, of course, there are many who use the situation to revive the 'back to nature' call.

At a more recent international consultation in Geneva (1973) I tried to counter these romantic approaches to the problem. In his presentation, an economist from the West had developed the theme: 'We know, better than ever, that the world is a whole. We are passengers in a spaceship with finite resources.' My response was as follows:

> One of the most striking statements I have come across in following the 'Limits to Growth' discussion is the claim in a U.S. Senate Report that the American people consumed, in the decade 1959-68 more of the resources of the world than all the people of the earth consumed in all previous history. The fact that a mere five to six per cent of mankind could and did consume in ten years more resources of the earth than all mankind in all previous ages epitomises the ecological and economic crises of our times.
>
> The problem is not that we have only one spacecraft earth, or even that its resources are finite, but that it has a minority of first-class passengers who are in a position to use and abuse its scarce resources while the majority of the passengers somehow manage to survive.
>
> Hence the problem of mass poverty in the world today and the modern ecological crisis are the twin manifestations of the same basic malady—the irresponsible use of the scarce resources of this world by an affluent and acquisitive minority. It is this basic problem that we should confront and analyse.

Most of the first-class passengers of this spacecraft are in a few identifiable areas. But even in the poorest parts of the world there are first-class passengers who own and use the resources of their lands.

The first-class passengers of the world everywhere are brought into contact through the international economy and an international civilization of their own. There are occasional differences of opinion among them, but they are united by their sense of possessions and the acquisitive spirit. The few who are rich own this spacecraft.

And in this spacecraft there is no provision for its resources to be used except by and for those who own them. Even when they abuse it, causing danger to the spacecraft itself, there is very little that can be done to prevent them.

The first-class passengers tend to use the ecological crisis they have created and continue to create against the poor of the world. For instance, it is now becoming common to attribute the ecological crisis to the growth in the numbers of the poor. And a common remedy suggested to solve the ecological crisis is a universal reduction of the rate of growth.

The ecological crisis can be solved only when the resources of the world can be used for producing the basic needs of life of the poor majority.

But the paradox of the situation is that the present world order can generate no power to cause such a diversion of resources. Hence we may continue to discuss the ecological crisis and be alarmed by it, but there is little we can do to solve it because it is the inevitable aspect of a world order we have come to cherish.

The international oil crisis which appeared almost suddenly late in 1973 has shown how thoroughly inadequate our futurologies in this regard have been. I now recall with amazement that it did not occur to anyone—not even the most pessimistic participant—at the Geneva meeting of April 1973 that before the end of the year there would be an oil crisis of this magnitude; some had predicted a crisis before the end of the century, and possibly within a decade, but certainly not in the year 1973! What the oil crisis has shown, however, is not only a chronological error in our scientific calculations. The crisis, when it came, did not result from a physical exhaustion of the oil supply of the world, nor even because oil had become prohibitively expensive in terms of the normal operations of the market mechanism. It resulted from the deliberate exercise of power by the oil-producing countries. I must say that my own view about the present world order expressed in Geneva turned out to be unduly and unnecessarily pessimistic. But in April 1973 it was impossible to conceive of any power within our international order (or even from outer space!) which could, in less than a year, pose a serious threat to the economic power of the United States, Europe and Japan—all at once. There is still room for hope!

IV. Beyond Economics

I turn now to a few questions relating to poverty and development which are not covered by the essays in this compilation. The first of these has to be about the relationship between poverty and population. For those to whom poverty and development are mainly matters of numbers and arithmetic, it is a self-evident fact that the 'population explosion' is the cause of the misery of the poor nations and of the poor within nations. The excessively high rates of growth of population in Asia and Latin America are held out as evidence for this very profound view on which many volumes have been written and many international seminars and consultations have been held. To add to it all, the study on poverty by Dandekar and Rath has conclusively shown that the size of household is directly related to the level of poverty. They found that the average size of household is a little less than 6 in the case of the poorest 10 per cent in the rural parts and a little more than 6 in the case of the poorest 10 per cent in the urban areas. In both cases it then steadily comes down with the average size being 3.78 and 2.25 for the richest 5 per cent in the rural and urban areas respectively. These statistics, of course, do not necessarily suggest that the poor have more children, although this may well be the case, but can simply mean that among the poorer sections of the population there is a larger network of family relationships that constitute the 'household'. Another interesting aspect of the evidence presented by Dandekar and

Rath is that, except at the poorest level, the size of the household is smaller, in fact much smaller, in the urban areas than in the rural parts.

Since the pressure of population is usually put forward as an explanation of low *per capita* incomes, one must recall the historical fact that in the European countries rise in *per capita* incomes was accompanied by an increase in population. In *Our Five Year Plans* I have shown that the historical experience in India has also been the same. During the early part of this century we had a low population base and a negligible increase in population but *per capita* income was also very low. Between 1930 and 1950 when the population began to increase because of a sharp fall in the death rate, *per capita* income in fact came down, but since 1950 there has been an increase in *per capita* income in spite of a phenomenal increase in population. It is, no doubt, arithmetically true that if between 1950 and 1970 the population had not increased so much, the *per capita* income might have been higher. But such arithmetic does not tell us anything about the relationship between population growth and changes in the economic performance of a country, let alone the relationship between population growth in a country and the poverty of sections of people within the country.

If an understanding of such relationships is the real concern it must begin with an appreciation of a basic asymmetry between the response of the death rate and the birth rate to policy measures. Both the birth rate and the death rate have remained for many centuries and millenia of human history influenced only by natural and physiological phenomena outside the control of human decisions. Prevention of birth was brought under human control long before prevention of death was, but by familial decision. In fact the reduction of the birth rate is more amenable to familial decisions than the reduction of the death rate. The death rate is reduced more by corporate, social and national decision than by individual decisions and the response of the death rate to public policy is tremendously high. Measures of public health with relatively little use of resources, like malaria control, for instance, bring down the death rate irrespective of familial and individual decisions. The death rate also responds indirectly to other policy measures such as increased food production. This, then, is the asymmetry between the two rates—the death rate has very little sensitivity to individual and familial decisions, while it responds quickly to collective decisions; the birth rate, on the other hand, is only indirectly and very slowly influenced by deliberate public policy measures and requires deliberate decisions by thousands and millions of couples. By its very nature it is an individualistic decision requiring the concurrence and co-operation of individuals and hence cannot be brought easily under social will.

I have laboured this fairly obvious point because it is one that is either not understood or is ignored by millions of men and women of goodwill all over the world who organise missionary crusades and crash programmes to bring the world population under control! I cannot think of any other area where so much of resources are frittered away through an abundance of uninformed goodwill. This is not to suggest that family planning education and efforts are not necessary, but to say that if they are only meant to eradicate poverty and relieve human suffering, for that there are quicker and more effective policy measures. Attempts to eradicate poverty (or check the ecological crisis) through population policies are like efforts to bring down motor car accidents through effecting improvements in the weather after it has been established that accidents frequently occur on misty nights when drunk drivers drive cars with defective brakes.

Again, I am not trying to minimise the gravity of the population problem in our country or in the world as a whole. I am convinced also that steps must be taken to reduce the growth of population. But it is important to get the cause and effect relationships clarified and priorities established. The population problem in our country and in the world at large has resulted from a fall in the death rate by man's interference with nature through corporate decisions which have been part of the process generally described by the term 'development'. The way to solve it is to bring down the birth rate also. It can be achieved only by convincing married couples that in the matter of the size of their families they need not be governed solely by the forces of nature. Such conviction comes partly through awareness of the possibilities of controlling conception without interfering with the natural instincts and normal pattern of married life, but mainly through the couple realising that a limitation of the size of the family is necessary in their own interest, in the interest of their children and of the larger social order. A certain level of economic welfare and a degree of civic consciousness are pre-requisites for this awareness and for the ability to translate it into action. Hence the population problem can be effectively tackled only with the removal of mass poverty.

In the meanwhile the process of education must go on. Through education alone can couples come to the free decision to reduce the birth rate. But any kind of education is a rather slow process. The trouble with the crash programes to bring down the birth rate is that there is plenty of propaganda and hardly any attempt to educate, especially where such education is most urgently required. Incidentally, I do not see the substance of some people's objections to the decision of married couples to bring down the birth rate by 'interfering with the laws of nature' when the death rate has already been brought down by such interference. Whatever may be the theological and philosophical basis for the opposition to the control over birth rate through control over conceptions, it is a clear evidence of the propensity to lay down laws for individual behaviour without reference to the social forces in operation.

This is only one instance of lack of clarity in the approach to the problems of man-in-society. Involvement in matters pertaining to poverty and development brings one to many more ambiguities of this kind. I do not feel competent to deal with these issues but it will be less than honest not to reveal one's own perplexities and uncertainties in this area. A question that is frequently asked, and which has been often addressed to me, is about the role of the individual and groups of individuals in the social transformation that I have earlier described as necessary in our country to meet the challenge of poverty and development. I have not yet worked out an answer to this very crucial question. Granted that there are individual and collective decisions in a society, there are individual and collective power centres and consequently individual and collective vested interests. An effective social transformation can be achieved only by tackling both these areas. Consequently I do not subscribe to the view that a moral reform working in and through individuals alone can be an answer to our problems. Moral reforms are addressed primarily to change individual motivations and thereby individual decision-making. But there are social issues which are beyond the realm of individual decisions, usually referred to as 'structures'. It is my argument in the papers in this collection that poverty and development are basically structural matters and hence call for structural transformations. Since structural aspects relate to collective decisions and have to deal with collective vested interests moral reforms alone are inadequate to meet them. Social exercise of power is necessary to influence structural problems.

One of the tragedies of our troubled times is that the interactions of individual and collective wills, of personal and social powers, have not been adequately examined except perhaps in terms of logical systems—of liberalism and Marxism, for instance. These have to be studied in the concrete situations of actual societies —an institutional study in the proper sense of the term. One of the most fascinating experiments in this area is the Chinese attempt to change society and the individual side by side. Traditional Marxism, by concentrating on the collective forces underlying social dynamics, almost completely ignores the individual. Similarly, by its emphasis on 'objective' matters such as property relations, it minimises, if not totally lays aside, subjective forces like a sense of values. The distinct contribution of Mao Tse-tung has been his insistence on the development of the socialist consciousness as a necessary ingredient of the social transformation. Mao has said, 'In building up the country, we .. pay chief attention to the revolutionisation of man's thinking. . . .' Old ideas like hard work and integrity and new ones like the need to transform the world in terms of the proletarian world-view are part of this process of the revolutionisation of the minds of men. Mao's version of Marxism in China, therefore, is one that recognises an active inter-action between subjective activity—the cultural revolution—and objective conditions. Whatever may be its outcome, there can be no doubt that the Chinese experiment will lead to some rethinking of the views of classical Marxism about the nature of man-in-society.

In the life and teachings of Gandhiji there is another rudimentary model of man-in-society. In that system of thought, which yet remains to be conceptualised and systematised, the attempt is to bring about a social transformation from below, as it were, essentially through an appeal to a moral regeneration. It is a matter of regret that, except during the freedom movement, the intelligentsia of this land have not given a positive response to

Gandhiji's call for a pattern of personal living in tune with the realities of the Indian situation. In the post-Independence era the intelligentsia appear to have identified themselves with a small group of aggressive self-seekers. In our land of poverty and ignorance, knowledge, or rather the pretence of knowledge, has become one of the most marketable and marketed commodities. The crude acquisitive spirit, unscrupulous self-aggrandisement and vulgar forms of affluent living emanate from and are propagated by the educated and the well-placed. Many of our intellectuals and educated people, like others who have power and influence, do not seem to have any commitment except to their own welfare and progress. The endemic nature of corruption, especially in high places, is an evidence of this malady. While these are not the basic causes of the poverty of our land, they are its close ally and the cause of the dangerous mood of cynicism that is slowly enveloping the country.

Gandhiji's life and thought are a strong condemnation of these attitudes and practices. During his life-time he also succeeded in generating mass action based on his convictions. There is also a grand social vision in his philosophy of life which the Sarvodaya Movement subsequently attempted to translate into a coherent technique for social action. Even in terms of the limited realm of economics it is possible to see how Gandhiji's emphasis on mass involvement in the production process and his insistence on local initiatives are far more relevant to the Indian situation than the many sophisticated economic and planning models spun out to solve our problems. It must be recorded too that when our statesmen, economists and planners had all recognised the need to produce goods for mass consumption to eradicate mass poverty in our land, Gandhiji's was the lone voice that insisted that mass poverty can be removed only if goods for mass consumption are *produced by the masses themselves*—a view that appeared an aberration to a new and modern generation sold on the virtues of science and the powers of machines. Isn't it strange also that it is Mao's China that has accepted Gandhiji's programme of mass involvement in production after a period of disillusionment with the more modern Soviet line of socialist reconstruction? And isn't there much in common between Gandhi's vision of a self-sufficient village economy and the communes experiments in China?

This is not to suggest that a revival of Gandhian teachings can be a solution to India's problems today. What I find missing in the Gandhian approach to the social transformation is an appreciation of the all-pervading impact of collective vested interests in a social system (which, of course, is the main thrust of Marxism) which cast their shadow even on individual motivations and actions. In the absence of an explicit recognition of the forces of collective vested interests, Gandhian thought often tends to get metamorphosed into too individualistic an approach to social problems in spite of the societal vision which is inherent in it.

But collective vested interest itself is a thing that has to be critically examined in the Indian context. It is certainly more complex and amorphous than the Marxian concept of class conveys. It is the monocentric basis of power in Marxism that leads to the translation of collective vested interest into the single-dimensional concept of economic class. But if social power is intrinsically polycentric, collective vested interests must become multi-dimensional, going beyond the realms of property, ownership and economics. Again in Mao's recognition of different kinds and different levels of 'contradictions' there is a tacit recognition of this fact. To come to grips with the issues of man-in-community, it is necessary to explore as concretely and as specifically as possible the many faces of collective vested interests. In many of these areas there can be and needs to be a serious dialogue between the Gandhian tradition and the Marxist tradition, not as a dialogue between two logical systems of thought, but as two 'live' methods committed to bringing about a social transformation in our country. Out of such dialogue in the Indian context may emerge a post-Gandhian and post-Marxist view of the problem of person-in-community.

This is not a call to escape from the immediate struggle against poverty and oppression into protected academic sanctuaries for dialogue and conversation. But if the eradication of poverty calls for revolutionary action, it calls for revolutionary thinking also. Revolutionary thought and action come not from those who conform to the pattern of the present order, but from those who are willing to change it through a renewal of their minds.

Two

THE CONCEPT AND CONTENT OF DEVELOPMENT

It may appear to be something of an anachronism to enter into the seventies with a discussion about the concept and content of development. Some two decades ago the nations of the world, rich and poor alike, committed themselves to the task of development. The sixties were set aside as the international development decade. Here in our country we have spent two decades already defining development and trying to bring it about through planned action. We have seen a prolific output of research studies, official reports and conference proceedings about development in all its aspects. And the churches have been attempting for at least two decades to arouse the conscience of their members and of the world at large about development and its challenges.

And yet it may be that our notion of development was hazy, the content we put into it inadequate, and our concern for it half-hearted. Hence this attempt of ours to search together for the meaning of the concept of development is quite timely and in fact very necessary. For, development itself is a developing concept which needs to be re-examined and evaluated from time to time. One may go a step further. The content of development is what *we* put into it. Thus, our task here is not merely to examine what others have said about development but to articulate our own understanding of the term. There is danger in it too—not that we may be misled in our search and go wrong in our findings, although this is a possibility, but that the whole thing may turn out to be a fine but futile exercise in semantics. We must search for clarity in our concepts, spell out our assumptions and renew our commitment, but let us remind ourselves too that the eagerness to discuss fundamentals very often is nothing but a subtle attempt to justify ourselves and to evade responsibility. 'What is truth?' asked Pilate, not because he wanted an answer, but to gain time to work out a compromise and to get out of an awkward situation. 'Who is my neighbour?' asked a scholar who was eager to vindicate himself.

THREE

GOALS OF DEVELOPMENT IN INDIA

Conceptual and Operational Emphases

Taking off from the economists' concept of development as an increase in *per capita* income brought about by accelerated capital formation, the development debate in recent years has branched off into two main areas. On the one hand there have been many attempts to broaden the concept of development; on the other, efforts have been made to give development a more operational connotation. Goals of development in India today must be defined taking into account both these aspects. In fact, the problem of defining the goals of development in India is to bring together the conceptual and the operational aspects in the specific context of the Indian situation.

On the conceptual side the notion of development has undergone a metamorphosis, thanks to the attempts of philosophers and theologians to see it as part of the wider problem of humanisation. These attempts have led to a definition of development which tries to make it a more comprehensive and integral concept compared to the economists' idea of development which was limited and materialist-dominated. The best-known of these broader definitions of development is the one seen in the Papal Encyclical, *On the Development of Peoples:* 'Development cannot be limited to mere economic growth. In order to be authentic it must be complete, integral: that is, it has to promote the good of every man and of the whole man.' Also, 'We do not believe in separating the economic from the human, nor development from the civilization in which it exists. What we hold important is man, each man and each group of men, and we even include the whole of humanity.' Another theological document claims: 'Development is the liberation of people from the various forces that constrict and stifle their human existence so that they are free to grow to fullness. Development provides opportunity for a spontaneous creativity assuring everyone access to all necessities

FOUR

STRATEGY FOR DEVELOPMENT

The development process in India has not yet become a mass movement. The development process cannot become effective until it becomes a movement. Such is the thesis of this paper.

It may appear that there is some confusion here. For, mass movement is only a method, it may be argued. To say that development cannot become effective till it is approached through a certain method may seem to be illogical, confusing ends with means. But what is the end of development unless it is people, the masses in our country? And if development is for the people it has to be by the people also. Here lies the connection between development and mass movement. Refusal to see this connection has been the greatest weakness of the development efforts in our country. Many of the problems that we are exercised over today can also be directly related to the failure to make development a people's movement—growing unemployment, increasing gulf between the rich and the poor etc. To these obvious issues must be added one more which again has resulted from the same malaise, the none-too impressive increase in output.

All this may still look like putting the cart before the horse. Can we in fact find jobs for our millions when our capital stock is so limited? Can a reduction of inequalities be brought about before an increase in output is achieved? And, can an increase in output be achieved without an initial increase in disparities? Can our socio-economic system generate and sustain a rate of growth more than what we have so far managed? In short, could we have done anything other than what we have done? These are all decent academic questions—'academic' in the respectable sense of the term. They arise from our commitment to change, but orderly change; from our concern for development, but gradual development; our eagerness to help the masses, but in the long run.

This kind of academic compassion for the lot of the masses is not without precedent in our history. There was a lot of it in the early stages of the national freedom movement. In fact,

FIVE

'GARIBI HATAO'

It is hard to imagine that 'Garibi Hatao' is already a thing of the past; but so it is. It appeared on our political scene with much fanfare and publicity, and now it is gone with the wind. Perhaps this is not altogether surprising. It is in the very nature of election slogans that they disappear from the scene long before the dust and the din of the campaigns themselves settle down unless a deliberate attempt is made to convert them into instruments of policy. Such an effort was not made in the case of 'garibi hatao'. For some of its sponsors it was never anything more than an election slogan meant to influence people and to gain votes. Those who were a little more serious about it were too populist in their attitude. There has always been a populist element in our approach to poverty, a certain sentimental desire to do something for the poor. But we know the hard realities of life also, that the poor have always been with us. And we are callously convinced that they will continue to be with us—us, the thinkers, the talkers and the decision-makers for whom poverty is such a remote academic issue anyway. It must be conceded that among the noise-makers poverty has turned out to be just one more thing on which they can get themselves heard, and they give it the twist they like. The sudden appearance of the demand for distributive justice is an instance of this kind whereby poverty was made essentially a problem of the distribution of the produce to be achieved through progressive taxation, increased measures of public expenditure favouring the poor and the like. Long before such passionate populist demands gather momentum they are forced to be abandoned because it is pointed out—and quite reasonably, it would appear—that an increase in production is a precondition for any attempt at distributive justice. 'The cake has to be bigger if everybody is to have a larger helping', so runs the standard argument. The populists have not come up with a counter-argument against this impeccable logic and so the clamour for distributive justice slowly peters out. The old strategy of 'growth' is resorted to with renewed vigour and added conviction. A few minor distributive elements are built into the

SIX

THE FIFTH PLAN'S APPROACH TO POVERTY

I

Although all our plans have been implicitly and indirectly concerned with the problem of poverty, the Fifth Plan is unique in terms of its explicit treatment of the measures to remove poverty: in appearance it is a 'Garibi Hatao' plan. Its first forerunner, *Towards an Approach to the Fifth Plan* eloquently proclaimed the historic inevitability of its anti-poverty thrust. 'There would seem to be a conspicuous element of historic inevitability in a direct approach to reducing poverty becoming the main thrust of the Fifth Five Year Plan. The Plan is being formulated by a Government that has won a massive mandate from the people, both in the Parliamentary elections of 1971 and the State elections of 1972, on the basis of a programme whose centre piece is "Garibi Hatao". The homogeneity of the Governments in the Centre and most of the States during the formulation and early years of the Fifth Plan is guaranteed. This should enable bold and imaginative proposals being put through on the basis of an enlightened national consensus.' The more recent *Approach to the Fifth Plan 1974-79* also affirms the centrality of the anti-poverty programme in the Fifth Five Year Plan although with less political overtones. The *Approach* document combines the removal of poverty and the attainment of economic independence as the twin objectives of the Plan: 'The basic objective of the Fifth Plan is to make maximum possible dent on the low end poverty while ensuring that the country moves one more step in the direction of economic independence.'

The *Approach* document is the result of a formal exercise showing that removal of poverty and the achievement of self-reliance are compatible and complementary objectives. A document entitled 'A Technical Note on the Approach to the Fifth Five Year Plan of India (1974-75 to 1978-79)' spells out the details of the formal framework of analysis leading to this conclusion. According to it, 'the heart of the framework of reasoning consists in applying an open static Leontief model for ensuring

Seven

THE GREEN REVOLUTION AND ALL THAT

Whether the seed-fertilizer transformation now taking place in our agriculture is in fact a green revolution or not, it has succeeded in bringing agriculture to the forefront for public discussion. It also poses a number of crucial questions which will have to be carefully examined and answered if we are to have an effective strategy for agricultural growth in the wider context of planned economic development. The purpose of this article is only to raise some of these questions.

The persistent food scarcity, the continuously rising prices of food articles and our chronic dependence on the import of food grains have all led to considerable misunderstanding of the past performance of our agriculture. The alleged 'poor' performance of our agriculture in the past is one of the perennially discussed themes in our country. But the facts are rather different. They present the picture of a truly creditable achievement. Between 1951 and 1965 agricultural output grew at a compound rate of 3.1 per cent per annum and food grains production at 3.2 per cent per annum, with cereals growing at 3.4 per cent. Of these approximately half has resulted from extension of area under cultivation and the other half can be attributed to changes in productivity. Whether this sort of growth is anything remarkable or not is, of course, a matter of judgement. One thing, however, is certain. Such a growth has been unprecedented in our country. If we graph the index of production of our agricultural output from 1900 to 1964, we see that from 1900 to 1950 production has only fluctuated, sometimes rather violently, around a horizontal trend; from 1951 there is a definite upward trend. The performance of our agriculture in the 1951-65 period has been quite respectable by historical international comparison as well. When German agriculture reached a rate of growth of a little over 2 per cent per annum in the last two decades of the 19th century, it was considered to be a significant achievement. In the early stages of Japanese growth (soon after the Meiji revolution of 1868) agricultural growth remained less

EIGHT

AID, TRADE AND SELF-RELIANCE

The nature of the economic relationship among the countries of the world has been one of the most debated issues across the centuries. Such relationships have taken many forms. From time immemorial countries have traded with one another. It was also the common practice for a conquered country to pay tribute to the conqueror. During the days of the ancient Chinese empire it was held that international trade was simply the bringing of tribute to the Chinese court by barbarian peoples and the beneficent bestowal of gifts upon the barbarians by the court in return. When the spirit of nationalism was growing in Europe, each country believed that the way to enrich itself was to export as much as it could without importing anything other than precious metal in return. When the folly of this doctrine was realised, some argued that the ideal pattern would be unhindered trade among the nations of the world, with each country specialising in the production of those commodities for which it had the greatest natural advantage. While this principle was staunchly advocated by the British, its validity was challenged by other European countries who argued that a country starting out on industrialisation stood to gain by preventing imports and thus granting 'protection' to its infant industries against the fierce competition from countries which had an early start. Much of the industrialisation of the United States and some European countries was achieved under the protection of strong 'tariff walls'. From the 18th century right into the 20th, European imperialist powers invested large amounts in their colonies—to develop the colonies as they claimed, or to exploit their resources as the erstwhile colonies now interpret the episode. If 'aid' can become, or can be interpreted as exploitation, and if trade can turn out to be tribute, it is easy to see why international economic co-operation is a difficult issue. When cooperation is attempted between the strong and the weak, between those whose interests openly conflict, it becomes an even more difficult problem.

NINE

PLANNING AND PRICES

When there occurs a sharp increase in the price level of 20 to 25 per cent in one year it is but natural that there is a kind of crisis response to it—a frantic search for its causes and an equally frantic attempt to suggest some instant remedies. There have been many exercises of this sort in the recent past. Spokesmen for the Government, for instance, have been insisting that the recent price rise is the result of unprecedented drought and of the increase in expenditure during the past couple of years for war and for refugee relief. And, of course, there are those who never miss an opportunity to remind the world that inflation is caused by an increase in money supply. Droughts and money supply do contribute to a rise in prices, but to treat these as the only or even the main causes of the present situation is too naive an approach to a vastly complex phenomenon.

From an economist's point of view prices are determined by the forces of supply and demand. These forces, however, are not mechanical and impersonal forces although this is the way most economists treat them. The forces of supply and demand are but reflections of the distribution of economic power in the system. Hence prices are basically determined by the interplay of powerful economic interests which are often in a state of conflict, though perhaps not of open confrontation. The well-behaved supply and demand curves that economists are fond of presenting conceal these pulls and pressures which are the effective determinants of the price level and the price structure. From this point of view, planning—whatever may be the complexion of the plan—may be thought of as an attempt to alter the price structure by altering the economy's power structure. This is a rather unusual interpretation of the planning process and of the price structure, and yet a moment of reflection will show that it is a legitimate interpretation. Planning which is total, for instance, is an attempt to bring the entire decision-making power in the economy under the control of the State. Under such planning the price structure will be a reflection of the State's

TEN

MYRDAL'S ASIAN DRAMA

I

Gunnar Myrdal's three-volume study of the problems of economic development in South Asian countries is an important book. In terms of its length and coverage, as also in terms of the author's broad comprehension of his field of study, his penetrating insight and the method he has devised to analyse a major human problem of our times, it puts forward a claim to be regarded as a modern epic. The subtitle of the work 'An Inquiry into the Poverty of Nations' is deliberately chosen to convey this claim. If this aspect of the book is not constantly kept in mind it is possible to get lost in the details of the analysis and to miss the major theme of the book and its attempt to be a total unfolding of the Asian drama.

Since the three volumes cover a wide variety of problems it may not be superfluous to point out that the main theme that Myrdal sets out to analyse is poverty—*material* poverty to be more specific—and so the work must be treated as primarily a treatise in economics. But, of course, there has to be a major qualification to this statement. Myrdal's work is not limited to 'purely' economic problems. He writes with the firm conviction that economic problems cannot be studied in isolation but only in their demographic, social and political setting. And his attempt is to throw light on the sociological, cultural and geographical factors which are (according to him) largely responsible for the poverty of nations, at least the nations in South Asia. His criticism of the 'modern (economic) approach' to the problem of poverty or under-development is that it abstracts from all these basic issues and concentrates on a few 'economic' entities such as capital and savings. A major part of the work is a repetitive criticism of such a limited and consequently misleading analysis of the problem of poverty. Myrdal describes his own approach as 'out-and-out institutional'. 'The central idea in the institutional approach', he points out in the Preface, 'is that history and politics, theories and ideologies, economic structure

ELEVEN

DEVELOPMENT, ENVIRONMENT AND THE QUALITY OF LIFE

'In recent years a rising crescendo of prophetic warnings in all genres—some reasoned and forceful, some shrill and exaggerated, some cautiously hopeful, some deeply pessimistic—have told us that the environment on which we depend, our air, water, soil, living space, are seriously deteriorating and in danger of making human life brutish or perhaps impossible', begins a recent report of the World Council of Churches on *The Human Environment and Responsible Choice.* It continues: 'There are some familiar elements in the warnings. Often in this century men have been warned that their use of natural resources like timber, or their own fertility and increase, would sooner or later bring unacceptable consequences. But today a new sense of urgency has come upon us as the result of the coalescence of a number of factors—a steeply rising rate of population growth, ever-increasing industrial expansion with its appetite for raw materials, and the new high level of world economic interdependence which, with novel communication techniques, has created a new sense of sensitivity to the needs of poor countries. Thus although today's situation may not be at all points new, it has become newly critical. Suddenly it appears to many people, with frightening intensity, that we are pushing against the limits of a finite world, that in all likelihood something vital will before long give way, and that the traumatic reassessments which will then be forced upon us are full of possibilities for tragedy.'

These words summarise the present state of the ecology debate with all its ambivalences, possibilities and portents. If it is true that at least since the days of Malthus—a century and half ago—'scientific' warnings have appeared from time to time about the approaching limits of the carrying capacity of our 'only one earth', it is important to know what is 'newly critical' about the situation today. The nature of the modern

TWELVE

INDIA—A POLITICAL PROFILE

The kaleidoscopic changes taking place in the Indian political scene have attracted attention within the country and outside, especially after the parliamentary elections of March 1971 and the State Assembly elections of March 1972 and the confrontation with Pakistan that came in between. Compared with the India of the late 1960's threatened with instability and uncertain of the future there is now an India[1], victorious in war and unified under one political leadership. In a federal set-up like India's, a change from a multi-party system to a virtual single party system is in itself significant. But there are deeper questions involved also. To what extent do these changes imply a transformation of India's social order itself rather than a mere political realignment? How far can the parliamentary system of democracy practised in India be an instrument of radical social change for the liberation of the millions enslaved by poverty and many forms of social bondage? These are the questions that India poses today and which make the Indian experiment in social reconstruction assume special significance.

The pattern of changes in the political front during the quarter century since Independence itself is noteworthy. When Independence came in 1947, the Indian National Congress which spearheaded the freedom movement and had united the diverse elements of Indian society against foreign rule was virtually the sole political force in what became the Dominion of India. Gandhiji had seen that the Congress in the post-Independence period could not be the same as the Congress of the Freedom Movement and had pleaded that the Congress organisation should be disbanded, but Nehru, the practical politician, saw the dangers that would arise in the absence of an organised power system; and so the Congress remained. Nehru's effort was to transform what was a mass movement for national liberation into a political system for administration. There were many who believed that in this process of converting a national movement into a parliamentary forum Nehru had the responsibility not

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[1] The now here refers to the time of writing. Now, indeed, things are different.

THIRTEEN

RELEVANCE, EXCELLENCE, AND....?

Some awkward Questions on Education and Development

The relationship between education and development has been discussed at least at two different levels. The first has been concerned with establishing the role of education as a contributory factor in development. It took a while before the contribution of education to the process of development was generally recognised. In the initial stages of the international interest in development, it was common to take a rather mechanistic attitude to the very concept of development. Development was identified with growth in income and it was argued that it was brought about by stepping up investment or capital formation in the economy. Economic activities were then neatly divided into those using up the resources of the economy (consumption) and those augmenting the resources and productivity of the economy (investment). In this rudimentary scheme, education for long was included in the first category as a resource-using activity. On this basis it was considered too that education and other social services were luxuries that poor countries could ill afford, at least in the early stages of development. Expenditure on education in the underdeveloped countries was seen more as a concession to social and political pressures and humanitarian considerations than as part of the compulsion of development.

This pattern began to change in the late fifties, resulting in an almost complete reversal of the understanding of the relationship between education and development. Many factors contributed to this change. One of these was the high positive correlation observed between educational performance on the one hand and levels of economic development on the other. It was noticed too that in the economic development of countries with such diverse social and political systems as the U.S.S.R., USA and Japan, education had made a significant contribution. In the U.S.S.R. the role of education in the process of development was recognised almost from the very early stages of the reconstruction after the revolution. Academician Strumlin

FOURTEEN

EDUCATION AND DEVELOPMENT

As a teacher of economics dealing primarily with the problems of development, I have, for many years, reflected on the relationship between education and development. There is a vast body of literature on the subject and I have gone through a fair amount of it. But I must confess that I do not see clearly the relationship between the two processes although I am directly involved in both. Perhaps there is nothing strange about this because both education and development are human processes and hence will elude precise definitions and comparisons. But I feel, too, that we cannot afford to be complacent about this issue; we live in a situation where day by day we are brought face to face with one aspect or another of this problem.

One of the things we must take note of is the legacy of the past, both the fairly distant past and the immediate past. In the distant past we had a well-developed educational system, but it was far removed from the problems of everyday life. Everyday life had a pattern and rhythm of its own, and with agriculture as the main occupation of the people, the pattern of life was set largely by the nature cycle. The concerns of education were almost entirely divorced from these mundane affairs of everyday life. They related to the sublime and the spiritual. In any case education was meant only for the elite groups in society who, by their social and economic standing, were protected from the routines and realities of the work-a-day world.

With the advent of Western education the pattern changed to some extent. Education came to be related to the life patterns of those who were educated. In fact it was education to prepare them for some professions—the lower echelons in the administrative structure. However, it continued to be limited to a select few.

A major change coming into our educational systems today is the breaking down of its traditional exclusiveness, and a consequent popularisation of education on a scale unprecedented

FIFTEEN

NATIONALISATION OF EDUCATION?

The answer to this question can only be that 'much can be said on both sides'. And much *is being said*, and very vehemently too, on both sides. It is doubtful whether anything new or striking can be added to the arguments already put forward in the debate. In fact the debate has fed on itself and become so fat that it is almost pointless now! But perhaps the debating stage is over and the verdict is imminent. What can be done, and needs to be done, at this stage, is to recall what the basic issues are.

There is a sense in which the question of nationalization is practically irrelevant as far as education is concerned. If there is a 'mind' in education, no authority, however powerful and totalitarian it is, can 'nationalise' education. An authority may prescribe books; it may suppress speech and oppress those who defy it, but there is a restless longing of the mind which cannot be deterred by such actions. Education, particularly higher education, is worth the name only if it is the agony and ecstasy of such a restless and relentless mind. In a real sense education is the groping of an eager mind which cannot be made subservient to any external norm, threat or reward.

This inherent element of education, however, cannot be used to argue that it is a purely subjective, individualistic process. There is an essential social dimension to education which is an inseparable aspect of wrestling with truth. As Erik Erikson says: 'Facts are kept alive by being told, logic by being demonstrated, truth by being professed.' It is this dimension that forms the basis of a community of scholars, whether it is a study group, a professional association, or a college or university. If education has it, the question of the relationship between the community of scholars and the community at large is immediately raised. In this context 'nationalisation' (supervision and control by the community at large) is a distinct possibility in education which, at times, can become a matter of necessity.

THE CHURCH AND DEVELOPMENT

Development and Ecumenism

During the past quarter of a century development has been a growing concern of the church and I have had the privilege of participating in many conferences and consultations on development organised by church-related agencies in our country and other parts of the world. The many conference reports on Church and development (mainly, *Christians in the Technical and Social Revolutions of Our Times*, Report of the World Conference on Church and Society, Geneva, 1966; *Fetters of Injustice*, Report of an Ecumenical Consultation on Development, Montreux, 1970; *Hunger for Justice*, Report of the All-India Christian Consultation on Development, New Delhi, 1970; *Liberation, Justice, Development*, Report of the Asian Ecumenical Consultation for Development, Tokyo, 1970); and studies such as Richard Dickinson's *Line and Plummet*, Charles Elliot's *The Development Debate*, Arend Theodore van Leeuwen's *Development through Revolution* and Charles West's *The Power to be Human*—have all attempted to spell out the biblical and theological basis of the church's concern for development. This Postscript is a reflection on the church's changing understanding of what development means and implies, and on the need for a re-examination of the church's pattern of involvement in the development process in our country.

It must be noted that the church's involvement in the discussion on the practical problems of our times, whether it is development or the environmental crisis, has had an indirect but significant impact on itself. The church's entry into the problems of global development soon after the Second World War was a matter of practical necessity rather than the result of any deliberate consideration. But soon it became a major theme of discussion in the World Council of Churches, and the member churches discovered that while they were divided on matters of faith and order they could be united in their study of the world's problems. This common engagement with the world has perhaps been a stronger cementing force in the ecumenical movement than the discovery of doctrinal and theological affinities. It is not an

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PUBLISHED FOR
THE CHRISTIAN INSTITUTE FOR THE S
RELIGION AND SOCIETY
BANGALORE 560 046
BY
THE C.L.S., MADRAS 600 003