THE SEVENTH
Vikram Sarabhai Memorial Lecture

on

DEMOCRACY, DEVELOPMENT AND SOCIAL JUSTICE

by

Mr. B.G. Verghese
Prof. Rajni Kothari
Prof. Raj Krishna

on

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DR. VIKRAM A. SARABHAI AMA MEMORIAL TRUST
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Dr. Vikram A. Sarabhai demonstrated in his life his conviction that the end of all scientific endeavour was peace, prosperity. and creativity. His vision of human society complemented his concept of holistic science. He used the lools of physical sciences but spoke the language of social sciences. Every activity he chose to initiate and every institution he created was of profound significance for a developing society and into every one of his endeavours, he breathed the rigour of a dedicated scientist and the sensitivity of a humanist. That his laboratory enveloped the entire community was amply demonstrated in his pioneering the management movement and applied industrial research.

One of the many institutions which had the good fortune to be touched by Dr. Sarabhai's dedicated spirit was Ahmedabad Management Association. He provided in leadership to AMA for the first four years as the President. AMA in its gratitude elected him as the first Honorary Member of the Association.

Today, to bring into the lives of Indian men and women the light of his spirit, the message of his life and fuller understanding of the nature of human existence, the Dr. Vikram A. Sarabhai Mamorial Lecuture is dedicated to his memory.

DR. VIKRAM A SARABHAI AMA MEMORIAL TRUST

Objectives

- To perpetuate the memory of the late Dr. Vikram A. Sarabhai.
- To encourage Indian men and women to emulate in their own lives his dedication and perseverance towards human betterment.
- To honour men and women who, by their own efforts and application, make significant contribution to society combining with a far-reaching humanist vision the rigour of the scientific method with the skills of organization and implementation.
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DEMOCRACY, DEVELOPMENT AND SOCIAL JUSTICE

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DEMOCRACY, DEVELOPMENT AND SOCIAL JUSTICE

by B. G. Verghese

INTRODUCTION

At the outset. let, me on, behalf of my colleagues, Rajni Kothari and Raj Krishna, and on my own behalf, thank the Vikram Sarabhai AMA Memorial Trust for this very kind invitation to join you all here this evening. It is a privilege at any time to address a gathering of inquiring minds. It is yet greater a privilege to be able to do so in honour of the memory of a truly remarkable man whose friendship so many of us cherished, as I did. Vikram Sarabhai combined a number of attributes with ease-that of a scientist, manager, philosopher, humanist, communicator-for he did not live his life in compartments. He was no mere visionary but a nation-builder. The many vibrant institutions he left behind him are a rare tribute to his life and ideals.

Vikram Sarabhai's first and ultimate concern was Man. Hence his leading role in the Pugwash science—for—peace movement; his concept of agro-energy centres that would transform the lives of India's poor; satellite communication and the SITE experiment (another of his legacies), to awaken and animate the people; community science and management in the service of education and the development of a new society.

The theme we have selected for this panel discussion concerns the need for, the content of, and the processes that might lead towards building a New Society in India. A New Society not merely because the existing system is inadequate and unsatisfactory but because it has in some respects all but

collapsed. When the sponsors of this lecture series first approached us, they suggested we respond to the national mood of despair over the seeming inability of Indian democracy to cope with the many problems and pressures that threatens to overwhelm us. We were delighted to accept. Rajni Kothari, Raj Krishna and I have been part of a small group—like, I'm sure, many similar groups in the country—trying to think through the present national crisis. About a year ago we outllined what we saw as the malaise and prescribed the structural and institutional changes necessary to win through, in a little document entitled "Agenda For India". We have since filled out that document in terms of concepts, structures, programmes and instrumentalities. We would like to share with you this evening some of that thinking. It does not represent any ultimate wisdom but, hopefully, offers a basis for meaningful debate and action.

The existing "system" may have served us well for a time but has clearly lost a good deal of its validity. Credibility and legitimacy are lacking. Millions of Indians are so-to-speak outside the system. Institutions have weakened or have been easily pushed over since they have become dysfunctional and unable to respond to current needs. Many structures in the polity are inadequate to accommodate required change and are all the more oppressive or irrelevant. As centralisation and paternalism have grown, participation and accountability have diminished. There is fear of change and the pressure of a new -emerging order are all too often and all too naively seen as challenges to something glibly called "law and order" and "stability". The vast base of the hitherto excluded Indian social pyramid is beginning to stir. There is a new consciousness abroad. India is a country of 684 million people; its polity, economy and social order accommodate but half this number. This division into "we" and "they" is unacceptable and this "other India" is knocking at the door for admission.

This is the heart of the matter: to relate immediate crisis-management to longer term institutional and structural change so as to provide direction and momentum to the process of economic and social transformation. We have for too long treated the symptoms and totally failed to diagnose the disease. We have been somewhat simplistic in equating democracy and the democratic process with certain forms, while ignoring the normative substance. We have confused legality with legitimacy. We have forgotten the wisdom of the Preamble to the Constitution which proclaims "Justice, social, economic and political; Liberty of thought, expression, belief, faith and worship; Equality of status and opportunity; and Fraternity, assuring the dignity of the individual and the unity of the Nation".

India won Independence in 1947. The values of Liberty must remain inviolate. Fundamental rights and the rule of law are great and noble ends in themselves; but they acquire meaning as instruments for ensuring social justice, equality and fraternity. It is not enough to have government for the people, even if governance has always been for the people. It is equally necessary to ensure government *of* the people and *by* the people. India is in ferment. It is in transition and is yet to arrive. Although there is much anxiety and uncertainty abroad, let us not underestimate the inherent strength and resilience of our people. We have a considerable infrastructure built up over the past 30 years and a large pool of highly trained and skilled personnel. These are prize assets.

This is then what we wish to talk about.

The sponsors wisely envisaged a panel discussion. Rajni Kothari will speak about Restructuring the Institutional Framework. Raj Krishna will follow him and will talk about political and Administrative Obstacles in Economic Growth and Social Justice. And, finally, I will address myself to the problems of Fraternity and Social Change.

We greatly look forward to the discussion that follows tomorrow in the form of questions and comments so that we have the benefit of interaction with so lively and thoughtful an audience. I hope you will subject whatever we say in capsule this evening to critical examination so that collectively we can sharpen our thinking and get the real concerns of the nation into focus.

Now, Prof. Rajni Kothari.

RECONSTRUCTION OF THE INSTITUTIONAL FRAMEWORK

by Rajni Kothari

The subject chosen for the panel discussion "Democracy, Development and Social Justice" is so broad with so many dimensions that one can include anything under it and at the same time not know where to start. Because of this the three of us have, among ourselves, agreed to some division of labour. What I would do in the first talk is to suggest the reasons for both the performance and non-performance of our democratic policies, and then move on to the topic assigned to me, viz. "Institutional Infra-structure". The very title of the topic may generate expectations that I have some kind of a model of restructuring fully worked out. I should honestly say that I don't have such a fully developed model though I could also say that it is difficult even to move towards one within the short time at my disposal.

I think we must first accept the inherently enormous and difficult task that we Indians have undertaken in trying to simultaneously undertaken economic development, social justice and political democracy. In some ways it is a very unprecedented task. In most countries where progress has been made, whether of the capitalist type or the socialist type, there was a long period of consolidation of national territories and the regions followed by a fairly long period of industrialisation and economic development, only after which extension of democratic rights to the people took place.

We chose to move on a different path. Heirs as we were to the values of the modern world as well as the values of the national movement, we chose to undertake all these task at one stroke-national integration, economic development, social justice and political democracy. what is more we made political democracy an essential instrument towards reaching the other three goals. I think our founding fathers were aware of the in-built tensions between these if not contradictions inherent in such an undertaking and yet after careful thought, decided that this was not only the path to be chosen but in fact the only available path to us. George Verghese will talk at greater length on the nature of the social dimensions but I might mention here what I have in mind, when I say that this was the only available path.

In a society as diverse, as fragmented, as heterogenous, as unequal as ours, it is not possible to develop a political system or for that matter a system of economic and social performance from a highly centralized place in the manner in which it might be possible for smaller countries or less herteogenous countries. Considering the co-existence not only of several cultures and regions but also of several centuries, the only manner, approach available to us was the democratic approach. There was a lot of discussion on this during the national movement, behind all the major resolutions that were passed by the Congress, and again there were discussions in the Constituent Assembly. The upshot of all these discussions was that the only way in which we could integrate a continental size society like this with such enormous inbuilt fragmentation and potentiality for conflict and pulling apart was by adopting a democratic process. For the virtue of a democratic process is that it has the capacity of building bridges, working out cohesion across divisions and various kinds of conflicts and involving the large diversities that constitute India. In a sense, we have seen that this vision has been borne out. When we started as an independent country, we had a host of problems facing the ruling party and the

government and the national movement which still continued, though in a different form-I mean the Congress Party. And yet it was by operating through the democratic process that secessionist forces and various kinds of divisions and enmities were somehow emerged and brought into some kind of a working system. When today we feel very upset and despondent about the polity, the politicians and the government, let us remind ourselves of what has been done and achieved and the fact that were it not for this kind of a vision by the earlier generation of leadership we would not have been in a position today to talk in the manner in which, perhaps, we will talk today and continue to talk in this critical tone, in this mood of self-introspection, in this search for an alternative.

So, it is inherently a very difficult task and it is a task that is by no means complete and which has in someways been distorted. I will come to it in a minute. But it is necessary to realize that as we restructure, as we try and design new models of attacking the problems that face us, we have to continuously bear in mind that too will not be easy. We certainly have a lot of resources to draw upon. As Mr. Verghes told you, there is a tremendous infrastructure that we have built through the development process and there are great capacities and skills at our disposal today. And yet, to wield together a nation of this size into a performing one, into one that produces results along some expected scietific lines, is not ever going to be easy. So, let us not in our mood of changing everything, exaggerate on the possiblity that if only some of us got together and started a new movement, we would automatically create a new India.

That is one point. The second that follows, in a way connected with the first one, is very crucial to my argument. It is that the model that we have adopted, the very political process through which we undertook to implement the tasks

that we faced, have in course of time generated forces at the very bottom of the society and from there all the way up, which have today produced presssures and demands which the system is not in a position to meet. In other words, there is an in-built dialectic of the democratic process in a society like ours. What I have in mind here is the considerable increase in consciousness of the people, consciousness of their rights and of their place under the sun. This is a radically new phenomenon for this society. If there was any society in the world that was based on the principle of inequality, it was this country. For centuries this society has organized and managed itself on the basis of systematized inequalities. To generate, in such a society, not only expectations from Government, but expectations from oneself about one's position in society, to challenge the hegemony of the upper strata which was taken for granted for centuries was bound to release such enormous pressures and demands on the system that it was bound at some stage to prove incapable to cope up with.

So, I would say that if we call what we are going through today a "crisis", let us call it a crisis of transformation; it is not, by any means, a crisis of stagnation. It is not one of those crisis which arises out of nothing happening-here just too much is happening. If only, (even the newspapers, how unrepresentative that one newspaper is, one knows), even reading a newspaper it becomes clear how many things are happening in various parts of the country at the ground forces level.

The crisis that we speak of arises from the fact that the institutional system that we have today is unable to guage what is happening at the bottom of society and therefore, unable to respond to the demands that are being generated. To some extent, one can go into the inadequacies of particular individuals or parties or groups in this respect but only to some extent. For I think such a lag between expectations

and fulfilment was inherent really in the process of the last 25 to 30 years, during which new forces have emerged whereas the Institutional system is still of the old type and that too in a stymied and eroded form. We have to take a second look at the "system" and restructure it in response to a changed situation.

What is known as the Westminster model of democracy that we adopted after independence worked in the fashion in which we have tried to work it only till the ruling class was a limited class, and the electoral process led essentially to a turnover of elites within this limited class. This was so even in Britain, the homeland of the Westminster model where electoral politics addressed itself to a turnover between the conservatives, the liberals, and the conservatives and the Labour party later on, a mere change of government without any fundamental transformation. This is not the situation here. During the 60s and early 70s we had the Congress model of democracy-the model of democracy that was institutionally so structured, that there were some fantastic advantages built into it in that while a single party was in command there was sufficient scope for dissent both within the party and outside the party. This system is no longer, functioning and to the extent it still does, it is not adequate to the new challenges that we face.

What we have to understand is two things. One, is an inherently difficult task which was undertaken by a highly motivated leadership which was also fortunate in inheriting a whole institutional structure from the Independence movement. The other is that we have used up these advantages and the capital that was left behind by the national movement and we have not evolved an alternative system while on the other hand the social reality calls for a different kind of institutional action of democracy than is possible to provide under the Westminster model of government and the Congress system of party politics.

Let me elaborate this a little. Because there is a lot of misunderstanding about the whole concept of institutionalisation and its erosion.

When we became independent, we had inherited two structures. One was the structure left behind by the British the administrative structure, the so-called "steel framed" bureaucracy through which things were supposed to happen. Even the British had undertaken developmental and welfare functions to some extent; it is not true to say that the colonial system provided only a law and order machinery. And on this was cast, again largely by importation from the British, a parliamentary democratic framework based on the Westminster–Whitehall combination.

But we inherited another structure too, that was provided by the Indian National Congress which extended its organisation throughout the country right from the top, down to the village-a whole structure, of political interventions, of leadership, of policy, of mediation in local conflicts whenever and wherever they arose. It is this particular, highly decentralised, political party, held together, no doubt by a very inspiring leadership but at the same time a decentralized political structure mediating between the Government and the bureaucracy on the one hand and the people on the other, that gave us the opportunity, almost unique among the developing countries, to institutionalise democracy and go through a fairly vigorous programme of economic development and initiate steps towards distributive justice. What we face today is the erosion of that particular instititutional model. What we do not have before is that kind of party.

We had an additional advantage of not only having an authoritative party which wielded so much authoriy and support from the masses and from the various levels of activists but which allowed a lot of flexibility too because dissent was permitted, criticisms were allowed, feedback mechanisms

were there and there was a lot of autonomy of the political process at the lower levels as well as autonomy of the economic decision making process. It is very important to remember that the best years of our political functioning were also relatively good years of our economic performance. Sometime by the middle of the 60s when things began to look bad economically, things began to look bad politically too. I do not know which is the cause, and which is the effect. Perhaps this can be worked out by some mathematician but all we will get will be a mathematical formula. My own view is that these are things where there are no causes and no effects. These are things that mesh together and evole in some kind of a holistic way also drawing upon the resources of culture and the value system of the people at large.

Today, we face, therefore, on the one hand a completely changed social situation generating forces and pressures of a stupendous kind which is very difficult to handle, and on the other hand a decline of the institutional system of which the congress system was the centrepiece and in which the federal system and a particular distribution of powers and relationships between the centre, the States and right upto the districts and lower levels provided another major dimension.

So you have on the one hand a changed social situation and on the other hand a political process which has got stymied and paralysed. This is the reverse of what is normally talked of by the developmentalists. Developmentalists are fond of talking of the apathy of the masses and the vision of the leadership. Here it is the opposite. It is the apathy of the top and stirrings and powerful changes at the bottom.

It is this peculiar situation of a transformation-seeking mass and a completely non-responsive, self oriented, narrow minded, centralising, selfish and corrupt leadership that poses the major dialectic. I used all the adjectives carefully. And I think it is this that calls for restructuring. Because we have to face the

fact that the crisis that we face is not simply a crisis of democratic process. It is a comprehensive crisis involving the democratic process, the development process that we have undertaken, the distributive process that we have all along emphasized and I would add to these three the crisis in the nature of the state that we have built.

The design that we had undertaken was to develop the State as a multi-tire organization, as an organization in which several sectors and multiple levels had a rightful place, in which autonomies were built for economic decision making for the administration, for voluntary bodies, for individuals and groups who had alternatives to offer, for criticisms, for dissent and all that. This is not any longer so.

In restructuring the State from the stage in which we are now, when the political system and leadership have become extremely concentrated, narrow and confined and totally unresponsive and away are remote and removed from the people, we have to remember that it cannot be done by simply changing the parties in power. This is the lesson not only of Janata party, it will be the lesson tomorrow also if some other party comes to power, without looking at the total situation, and evolving an appropriate ideology and socio-political strategies to respond to it.

By changing indviduals and parties in power, which has been in a sense the narrow understanding of democracy in this country, viz. electoral democracy, we are not going to change things. It will have to be in terms of recognizing the multi-layer, multi-sectorial nature of the society, the fact that the people are aware and want their rights and the means to play their role in this society. It is only by recognizing these larger factors that a new political process can be restructured and a new institutional framework introduced.

Now, I want to talk a little more on the positive aspects of what we face. We all talk a lot about the crisis and we

analyse it in our own ways (I was also going along those lines). Actually, there is no dearth of ideas on this. There can be differences on the specific nature of the crisis, like some people may attribute the crisis to only economic causes, others to failure of leadership, still others to just one person sitting in Delhi and still others to our moral failures and so on. But what is important is for us to really think hard and carefully in the next few years about what are the alternatives ? What kind of a political process can be generated that can change the situation and that can restructure both the institutions and the values with which we started ? And with this in view, to look at the positive resources and the positive aspects of the political process that the last 30 years of democracy and development have generated.

One aspect of this I have already mentioned and everybody talks about it these days viz. the awakening of the masses. Equally important, it seems to me, during the last 10 years of failure and non-performance of the system that everybody talks about and about which Raj Krishna will speak to you at some greater length, something significant is happening at the grass roots of the society. Apart from the awakening of the masses there is a whole lot of very committed young people, activists of all types, ranging over the whole spectrum people who have given up cushioned positions and jobs and are working among and with the poor and the deprived masses, literally thousands of them. They are taking up issues, establishing experiments, working out solutions and really organizing the people in meeting their demands and pressures, something quite different from the political parties, some thing quite defferent from the bureaucracy. This is happening all over the country. I do not think there is any district where this is not happening and in some 200 districts it is happening in almost every taluk. In some districts, specially in this part of the country (Gujarat, Maharashtra, Karnataka) in one district there are something like 20 to 25 such groups

operating. And these are professionally competent people, people who have left high tower institutions like IITs and IIMs and Universities and so on and have gone there and have established a rapport with the people and educated themselves, rather re-educated themselves which you have to. When you come out of an institution like an Institute of Management or Technology or University you have to de-educate and re-educate yourself for these are largely alien institutions. These people are doing just this. And in this last 10 years they have generated some facinating models of not only development but also politics.

I think we have come to a stage when the isolation and fragmentation of these various groups need to be broken. They are isolated, in fact the principle on which they were organized for a long time was a principle of isolation. It was based on a sense that you could not do much by advising governments or working in Government or simply writing on what the Government was or was not doing, so you chose to take up a small micro-movement that you can yourself manage to, not so much worry about the macro processes and to take up causes of the people and work them. These efforts range all the way from development and welfare kind of projects to constructive work kind of activities to real conflicts (Sangharsh) kind of situations. All three elements —*vikas, rachna,* and *sangharsh* — are there in the efforts going on at the bottom of the society. I have found in recent months, in talking to these people and looking at their programmes a new kind of stirring here also, a realization that developing a micro movement itself is not enough. Doing rural development, adopting villages and a small area for experimenting a new model of development is not enough. Because we face a larger situation, a grim situation, a situation of increasing oppression and terror and a closing in of the political system which is going to come down upon us so heavily one day that all the work we have done will be in ruins.

There is a thinking emerging among these groups that these may be a possibility of organizing literally thousands of people who are active at the grass roots level into a federal political process which could conceivably also produce a restructured institutional process along lines that may respond to the demands and needs of the people that one has in mind when one talks about an alternative institutionalisation of the polity. This is, of course, no more than a vision that people are talking about but it is only through such visions that the outlines of a new politics may emerge.

In thinking about such a restructured institutional model we will need to think about many things, from the constitutional framework itself, to the electoral system, to the nature of the federal system, the role of the district and the lower levels in that system— and a whole series of agenda The document that George Verghese referred to earlier, *An Agenda For India* of which, a second (and much more elaborated) edition of which would be out shortly, goes into all this in greater detail.

It seems to me, however, it is not enough to just have before us a model, an alternative model about our new thinking, about new policies about what one would do if one were in power which is that an Agenda like this would provide but also to generate a political process which will engage oneself and many others like one into catalyzing forces that will bring about the nature of restructuring that is needed. Because I am convinced, and I am sure that both of my co-panelists are too, that not until an aggrieved and exploited people come into their own, set up their own organization with the help of the type of activists that I am talking of, and ultimately pressurize whatever government exists at the state level or higher up to respond and restructure, that our democracy could really work.

The point is to evolve a structure which will begin to implement the economic programme on which people have to work themselves and restructure the socio-economic landscape. One will have to fight for such a structure. It will not come from above.

One final word. If we do not do this, if we do not constructively reconstruct across the barriers of ideology, barriers of party and group labels, barriers of ego, as well as the barriers based on lasting socio-economic privileges, we are in for a period of fantastic violence and chaos. Because the erosion of the institutional system that I spoke of earlier has led to a situation where nothing works, not even so-called law and order, we are running a system where aggrevied sections cannot any longer knock at the doors of authority and get any relief from them at any level. And the only way of expressing yourself and registering your voice is through the politics of the street. And this is happening not just between those in authority and the people but between people, between castes, between classes and very often between communities that are socially very close but are fiercely competing and clashing. It is increasingly becoming a law of the jungle in which the strong survive and the weak and the poor are the victims. Such a politics of conflict will not solve any problem, and in fact will only bring down whatever still survives despite all the erosion. It will lead to the collapse of this state, of this system, and this nation. And those are not conditions propitious for revolutionary change but rather for facism. Thus I think it is incumbent upon us to avoid this, to anticipate and build a political process (and whenever I talk of political process I have in mind something that has socio-economic content in it) that will utilize and build upon the radical awareness that we find today both among the people and among those who are working with the people in terms of organizing them.

Political parties as they are at the moment do not seem to me to provide the way for doing this though I do not belong to the school of thought which thinks that you can have a political process without political parties. But it seems to me that in the next few years, let us say till 1985 when the next elections are due, until then if the kind of grassroots development that I have depicted, and the building up of a federal political process on that basis, can be designed and an organizational network evolved, not necessarily exactly like the old Indian National Congress but perhaps not terribly dissimilar from it with a considerable grassroot element built into it, then the time may once again be ripe for us to think in terms of party politics.

I do not have much time to go into the merits and demerits of existing movements because the movements that I talked to you are of a variety of kinds, all the way from the Naxalites to the traditional Gandhian type. There are a great many weaknesses to overcome and hurdles to cross. But I am personally convinced that there is tremendous potential in these movements working together towards an alternative and very little ground for them not to work together.

This at any rate is the perspective on institutional restructuring that I wanted to lay before you.

INDIA'S STICKY ECONOMY AND SOME NONECONOMICS OF NONPERFORMANCE

PART I

by Raj Krishna

1. Introduction

This paper presents a descriptive review of the important parameters (ratios and growth rates) which have characterized Indian economic development* during the last 30 years. The review reveals the unique, and indeed incredible,stability * of most of these parameters at very unsatisfactory levels. Their values remain unsatisfactory either in comparison with magnitudes achieved in the rest of the developing world, as in the case of the low overali growth rate; or in respect of the mass of unrelieved suffering which they epitomize, as in the case of the high poverty and unemployment ratios. The evidence on long term stabiliy of development parameters presented here is in sharp contrast with opinions of some economists who have seen the mid-sixties as the beginning of stagnation after a period of satisfactory growth.[1] It appears, too, that the main reasons for this poor performance cannot be economic. For almost all the economists' familiar "sources of economic growth" have been growing at a fairly satisfactory rate : (1) unskilled, skilled and educated manpower, (2) domestic saving and investment rates, and (3) foreign exchange reserves. In

*The word "development" is used here as a convenient shorthand for the process which increases the growth of national income as well as decreases absolute poverty and deprivation, even thogh it may or may not diminsh inequality.

*Throughout this paper 'stability' means the absence of a statistically significant upward or downward trend in the time series of a variable.

1 Shetty 1978. Jha 1980.

almost all party manifestoes, laws and/or plans, measures have been proposed, or substantial resources have been allocated to alleviate unemployment, poverty and inequality. But growth has not accelerated and unemployment, poverty and inequality remain undiminished. Therefore the reasons for failure must be primarily non-economic, and need to be (separately) analyzed.

2. *The Sticky Parameters*

For 30 years the rate of national income has been stagnating around a miserable mean of about 3.5 percent[2], which keeps India as low as 91st in the list of 121 countries ordered according to the rate of growth of GNP+ per capita.[3]

Over the same period the agricultural growth rate has averaged 2.6 percent per annum. And, contrary to common belief, this rate has not been different, in a statistically significant sense, before and after the beginning of the green revolution in 1967.[4] All that the revolution did was that, after it came, more than three-fourths of the growth of farm output has been due to the growth of productivity per hectare; before it came, a major part of it was due to the growth of cropped area. This means that the revolution only prevented a decline in the agricultural growth rate.

Turning to the distributive front we find that the (Gini) coefficient of the distribution of rural assets did not change in the 1960s. It was 0.65 in 1961-62 and 0.66 ten years

2 CMIE 1980.

+Gross national product

3 WB 1979.

4 Srinivasan 1979.

later.[5] The top percent of rural households commanded more than half (51 percent) and the bottom 10 percent only 0.1 percent of the total stock of rural assets both at the beginning and the end of the decade.[6]

Agricultural land, of course, dominates the rural asset portfolio. Therefore the implication of the rural asset coefficient is that, in spite of the most massive law-making and verbal fuss about land reform, no significant redistribution of land really came about. Over 31 years ending June 1978 only 1.56 milion acres[7] or 0.45 percent of the total cultivated area of 347 million acres[8] have actually been distributed among landless.

Consequently. the (Gini) coefficient of the distrbution of land *owned* by rural households also did not change materially over 17 years. It was 0.65 in 1954-55 and 1961-62, and 0.64 in 1971-72. About 60 percent of rural households continued to own less than 10 percent,and about 2 percent at the top about 25 percent, of all agricultural land.[9]

No data are available about the distribution of urban tangible wealth. But some provisional Reserve Bank figures show that both in 1961 and 1971, less than 1.2 percent of urban households at the top owned 24 to 27 percent of total (measured) wealth.[10]

Statisticians of the Central Statistical Organization (CSO) have recently estimated the (Gini) coefficient of the rural and urban consumer expenditure distribution for 12 years (1960-61 to 1973-74). Its stability is very striking indeed.

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5 Choudhury 1977.
6 Choudhury 1981.
7 GOI 1978.
8 CMIE 1980.
9 Laxminarayana 1981.
10 Jakhade and Shetty 1974.

The rural consumption coefficient averaged 0.30 in the first four years and 0.29 in the middle and the last four years of the period. And the urban consumption coefficient averaged 0.34 in, the first and 0.33 in the second and the third four year periods.[11] The only consolation we have from these figures is that probably consumption inequality, as measured by the (Gini) coefficient, with all its limitations, did not increase.

One of the most telling indicators of distribution is the poverty ratio. In a recent paper, Mr. K. L. Datta[12] of the Planning Commission has computed the time series of the poverty ratio for the country as a whole and for 16 States for 12 years during the period 1960-61 and 1973-74. His finding is that in the country as a whole and in 16 States the *rural* poverty ratio had no statistically significant trend at all. The all-India rural poverty ratio was stable around 58.2 percent. There is only one State (Punjab) where the rural poverty ratio declined significantly at the rate of 3.5 percent per year. But there were two States (Tamil Nadu and West Bengal) where the rural poverty ratio actually increased significantly by more than 1 percent a year. The urban poverty ratio, too, had no significant trend in the country as a whole and in 11 States. The all-India urban poverty ratio lovered around 50 percent over the whole period. Again, however, it increased significantly in Tamil Nadu and West Bengal. And it declined in Punjab, Andhra Pradesh and Madhya Pradesh. The combined (rural plus urban) all-India poverty ratio averaged 56.6 percent over the whole period with no trend. *

These data imply that throughout the 1960s and early 1970s nearly 58 percent of the rural population, 50 percent of the urban population and 57 percent of the total population remained below a fixed poverty line with some relief in good years. But, of course, since the total population was

11 Chaudhury 1981.
12 Datta 1981.

growing, the total poverty population grew steadily by about 6.7 million a year, including 5.2 million in the rural and 1.5 in the urban areas.* Using a different methodology, Montek Ahluwalia has also estimated that the *rural* poverty population alone should have been " increasing on average by about 5 million a year".[13] The Planning Commission's latest estimate of the poverty population is 317 million in 1979-80 including 260 million in the rural and 57 million in the urban areas.[14] This is easily the largest mass of absolute poverty ever recorded anywhere. (Only the Chinese could possibly have a larger poverty population. But they are very wise: they do not carry out regular national sample surveys of consumption and/or do not publish the figures collected.)

If the present trends are not drastically altered the number of the poor in India would exceed 400 million by the end of the century. This means that our poverty population at the end of the twentieth century may be greater than the total population of the country when it became free in the middle of the century.

For the incidence of unemployment we have three important rates derived from national sample surveys of the labour force:

(1) the chronic (year-long) unemployment rate, (2) the weekly (average) unemployment rate. and (3) the most significant "daily status" unemployment rate, indicating the number of workers looking for work on an average day in the year.

* This is the percentage of people below the poverty line. The poverty line is Rs. 49.1 per capita per month for rural areas and Rs. 56.6 for urban areas in 1973—74 prices.

* The controversies about alternative measures of poverty do not concern us here. Even if the ratios derived by other methods are lower, the time—trend is likely to be non—significant; and the absolute number of the poor will still be enormous.

13 Ahluwalia 1978.

14 GOI 1981.

The chronic rate stayed about 1,6 percent in 1971, in 1973 and in 1978. But the estimated number of the chronically unemployed did of course grow from 3.6 million in 1971 to 4.4 million in 1978, due to continuous labour force growth.[15]

The weekly rate averaged 4.12 percent over the 7 years between 1958-59 and 1972-73 for which observations are available-with small yearly variations.[16] Between 1973 and 1978 the rate increased slightly from 4.3 percent to 4.5 percent and the corresponding total unemployment from about 10 million to 11.2 million (for all age groups 5 years or more).[17]

For the daily rate only two perecent comparable figures are available : 8.0 percent for 1973 and 8.2 percent for 1978 (for all age group 5 years or more), But, again, these figures imply the growth of absolute unemployment from 18.6 million to 19.5 million in 5 years. For 1980 the average daily unemployment estimated in the latest Plan document (1981) is 20.7 million.[18]

On unemployment, then, we have the chronic rate stable around 1.6 percent in the 70s; the weekly rate stable around 4.5 percent for almost 20 years; and the daily rate stable about 8 percent over the recent quinquennium.

The data cited so far add up to a vivid picture of an economy in which for long period since independence many development parameters got stuck at steady levels:

1. the overall growth rate,
2. the agricultural growth rate,

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* These figures are computed dy K. L. Datta (1981) by fitting a (highly significant) trend line to the poverty population series.

15 Krishana 1976a.

16 Krishna 1976a.

17 Seal 1981. GOI 1979. GOI 1981.

18 SARV 1977. GOI 1979. GOI 1981.

3. the (Gini) coefficient of rural asset distribution,
4. the (Gini) coefficient of rural land distribution,
5. the (Gini) coefficient of the distribution of rural consumption,
6. The (Gini) coefficient of the distribution of urban consumption,
7. the rural poverty ratio,
8. the urban poverty ratio, and
9. the overall unemployment rate.

These are, of course, all-India parameters. But it is interesting that the interstate variation of some key parameters has also been stable. Thus the coefficient of variation (CV) of per capita real State income across States increased only slightly from 20 percent in 1960-61 to 22 percent in 1975-76. The interstate CV of the rural poverty ratio averaged 24.5 percent and recorded no significant trend over 16 years (1957-58 /1973-74.) And the interstate CV of the (daily status) unemployment rate remained steady at 68 percent between 1973 and 1978.[19]

One could hardly get more graphic evidence of an economy caught in the trap of low growth and growing poverty.

Even with respect to some significant parameters reflecting development policy, there has been a strange stability. It seems, for example, that the allocation of plan from the outlays between major sector groupings stabilized nearly 25 years ago in the Second Plan. The attached Table I would show that through all Plans from the Second to the latest Sixth Plan, the allocation for agriculture, irrigation and flood control varied narrowly between 21 and 25 percent of the total plan outlays, the allocation for industry and infrastructure between 56 and 60 percent, that for social services between 15 and 19 percent, and that for small industry between

19 Krishna 1980.

1 and 4 percent. Within each of these sector groupings, there have been somewhat larger shifts. But as for broad priorities, only the rhetoric changed from Plan to Plan but not the priorities themselves as reflected in the distribution of rupees actually allocated and spent.

There are two other investment allocation parameters which have been remarkably stable. The share of the public sector in total national investment has averaged about 42 percent from the Second to the Fifth Plan, with the exception of the Third Plan period when it was higher at 47 percent. (Table 2). Also, the average trade/GNP ratios, which broadly reflect trade policy, have varied in a narrow range through five 5-year Plans with no significant trend: the import/GNP ratio between 6.5 and 7.5 percent with an exceptional dip to 4.3 percent in the Fourth Plan; and the export/GNP ratio between 4 and 6 percent. In fact in the whole of the seventies, when the export -drive was on, the export/GNP ratio remained lower than in the first two Plans.[20] It should at once be added, however, that the structure of imports and exports *has* changed radically. Import-supply ratios fell rapidly to less than 25 percent in all intermediate and capital goods sectors by 1978— except 6 sectors covering heavy chemicals, machinery, and petroleum products.[21] The ratio of nontraditional exports (such as metals, machinery, chemicals, fish, garments and jewelry) to total exports rose from 3 percent in 1955-56 to 39 percent by 1977-78.[22]

These data suggest that the allocation of plan investment between production sectors, of total investment between private and public sectors, and of total production between home production (import substitution) and the foreign markets has also varied very little over time.

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20 GOI 1980.
21 GOI 1978b.
22 CMIE(W) 1980.

3. *Some Not—So—Sticky Parameters*

But now some parameters which did change significantly should also be mentioned. One of these is the rate of growth of industrial production which was averaging 7 to 9 percent in the decade 1955/65, and only 3.7 percent in the following decade. In the last 5 years, it has recovered to the medium level of about 5.7 percent due to two years of high growth (1976 and 1978).[23]

The gross domestic investment rate too has definitely accelerated—from an average of 10. 4 percent in the First Plan to 21.6 percent in the Fifth.[24] Since the ratio of net flow from abroad to national income has fallen steadily from the Second Plan the gross domestic saving rate has risen correspondingly.[25]

But, as many economists have noted, the growth in capital availability due to the increase in the saving rate has been offset, almost completely, by a substantial increase in the aggregate (incremental) capital-output ratio from 3.6 in the First Plan to 6.2 in the first 3 years of the Fifth.[26] Dr. Ashok Desai has computed the sectoral incremental ratio for five quinquennia (1950-51/1955-56 to 1970-71/1975-76). His estimates show it to have risen from 2.1 and 4.0 in the primary sectors (including mining) and from 4.4 to 12.3 in the secondary sectors from the first to the fifth quinquennium. (In the 2-year period ending March 1978 it rose further to 5 in the primary sector but dropped to 4.7 in the secondary sector.[27] The two-year period is, of course, too short for calculating the ratio.) Of the many reasons given for the long-term rise in the ratio, he has rightly stressed low levels of utilization of

23 CMIE 1980. Desai 1980.

24 CMIE 1980.

25 CMIE (W) 1980.

Exchange reserves which averaged only Rs. 522 crores from 1970 to 1975 shot up to Rs. 5164 cores by March 1980.25

26 Kelkar 1980.

27 Desai 1980.

labour and capital: the under utilization of labour has been due to overstaffing and industirial unrest. The underutilization of capital has been due to recurrent input shortages and occasional demand recessions in the private sector; and sheer mismanagement in large parts of the publice sector. To these resaons for rising capital-output ratios must be added growing construction lags and capital cost escalations which have recently been documented. If we look at information about projects even in a few key sectors it appears that only 42 out of 192 major irrigation projects undertaken in the last 30 years (1951-1980) have been completed so far and long construction lags have already doubled the investment cost of the unfinished projects. In 66 projects the extra cost has already added up to Rs. 5000 crores. In 150 major and 30.000 minor irrigation projects lags have ranged between 2 and 25 years. Two major steel plant expansion projects (Bhilai and Bokaro) are now expected to be completed 4 to 5 years late, in 1982; the extra cost exceeds Rs. 1200 crores. In the vital, atomic energy sector, the construction lag has been 2 to 7 years and the extra cost nearly 300 crores, or more than half of the original estimate. Major coal projects are moving I to 4 years late, and 5 major thermal power projects in the northern region 7 to 45 months late. Similar delays and cost-overruns characterize many major projects in non-ferrous metal, fertilizer, engineering, oil-refining, cement and paper industries. The average annual cost-overruns and associated losses in the last 10 years are, estimated to be Rs, 1000 crores.[28]

Thus amidst many stable parameters we have these three (the industrial growth rate, the investment rate, and the marginal capital-output ratio) which *have* changed dramatically but in such a way that the overall average growth rate has not been affected.

On the distributional side too let us note three indicators which seem to be changing significantly. One of these is the

28 Sharma 1980. Chawla, 1981. Dasgupta, 1981.

share of total (estimated) corporate assets controlled by the top 20 houses; **it went up from 25 percent to 35 percent** during 1969/75.[29*]

Thus, whereas the rural asset distribution seems to have remained stable, the urban corporate asset distribution appears to be getting more concentrated. Evidence, corroborating this, is also visible in the fact that the share of "small enterprises" in net domestic product originating in mining and manufacturing declined from 30 percent in 1950-51 to 25 percent in 1978-79.[30]

Still another indication of increasing disparity is the growing gap between the real earnings of different classes of workers. A recent study shows that between 1960-61 and 1975-76 the real per capita earnings (in 1960-61 prices) of three classes of workers grew at the following annual rates :[31]

		Percent Per Annum
(a)	Agricultural Workers	- 4.31
(b)	Banking and Insurance Employees	2.00
(c)	Central Administration Employees	3.50

The ratio between the earnings of government employees and farm workers rose from 7.6 to 18.8. For factory workers a recent study of the Central Statistical Organization shows that their per capita real earnings grew about 22.6 percent, or at the rate of about 2.01 percent per annum, over the period 1960-1976. [32]

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29 Goyal 1979.
Incidentally, looking at the change in the *propotion* of corporate asssets controlled by large houses to total corporate assets, rather than the change in the absolute value of assets, meets the objection that the grow this not price-deflated.
30 CMIE 1980.
31 Bhatia 1981.
32 CSO 1979.

Thus, while the real earnings of factory workers and government employees have been rising 2 to 3.5 percent a year, that is, at a rate faster than the rate of growth of all-India personal income per capita (1.25 percent), the landless farm workers, real earnings per head have been falling rapidly (more than 4 percent a year) in the country as a whole though they may have risen in a few States. In 1974-75 the average foctory worker earned Rs. 4288 and the farm labourer only Rs. 681 a year or less than one—sixth of the former.

The deterioration in the economic condition of rural workers in the country as a whole is confirmed by another body of data gathered in the Rural Labour Enquiries of 1964-65 and 1974-75. Progressive proletarianization is evident in the increase in the ratio of rural labour households to all rural households from 25 to 30 percent over the decade 1965-75. In the same period the proportion of (landless) agri cultural workers in the rural work force rose from 18 to 22 percent, and their absolute number from 31 to 46 million. The real earnings of rural (male) workers *declined* by 10 percent in farm work and 15 percent in nonfarmwork. And employment available to them during the year came down from 327 to 250 days. (Employment available to women and children also increased.)[33]

These facts clearly point to the growing inequity of the earnings-structure. A small minority of the labour force-the factory workers and government employees—who are well organized and close to the power structure, have succeeded in raising their share in the slowly growing national income, and the more numerous and unorganized landless workers in the rural areas have suffered progressive impoverishment (except in a few fortunate areas).

33 GOI 1979.

4. *Structural Change?*

The parameters reviewed above have been associated with the particular economic structure which independent India inherited from the past, as well as the development policy pursued by successive governments since independence. The essentials of this policy date from the begining of planning in the early 1950s. The old structure has been changed by new policies in *some* respects. But, surprisingly, many fundamental features of the structure, and of policy, have remained unchanged for almost three decades. On balance the forces of change seem to have been constantly kept in leash by the nation's strong proclivity for stability.

The most important feature of the structure of an agrarian economy is the distribution of rural property which, as we have seen, did not change. But the sectoral distribution of the workforce, which is universally regarded as a sensitive indicator of structural change, has not varied significantly in India for at least 60 years. The labour force estimates of the Census of 1981 are still to be released. But between the Census of 1911 and 1971, the share of agriculture in the work force remained between 72 and 74 percent in every Census; and the share of mining and manufacturing between 8.7 and 10.4 percent.[34] Intercensal National Sample Survey labour force surveys have revealed no significant change in these ratios.[35] (In 9 Asian countries, by contrast, the share of agriculture in the workforce declined significantly in the period 1960-77).[36]

The structure of output did change. The share of agriculture in national product fell from 57 percent to 44 percent, and the share of manufacturing and services rose correspond-

34 GOI 1979.
35 Krishna 1976b, 1976c.
36 UN 1980.

ingly during 1951-1979.[37] But the structure of investment has altered very little since 1956. We noted earlier the stability of public sector plan allocations. A similar stability is observable in the allocation of *total* national invesment. In all plan periods from the Second to the Fifth the share of agriculture in aggregate investment has varied only between 17.5 and 20 percent.[38] As regards trade, as we noted above, the composition of exports and imports did change but not the share of trade in the national product.

5. Regional and Temporal Variations

An important caveat must be noted before we leave this brief enumeration of stable and unstable parameters of Indian development. Almost all parameters which are stable as aggregate trend-magnitudes have recorded substantial inter-regional and inter-temporal *short period* variation. There are well-known regions (periods) where (when) the growth rates have been much higher, and poverty ratios much lower than all-India (long-term) averages. But after 30 years of development it is important to worry about the long-term stability of the low growth rate and the high poverty ratio in the country as a whole. For this stability implies that spurts in the growth in particular short periods are regularly followed by periods of low or negative growth. And high growth in some areas is accompanied by stagnation and decay elsewhere. The same is true of variations in poverty ratios.

For some sections of Indian society overall parametric stability has brought unprecedented prosperity. They have no reason for complaint of a non-performing economy. It is only for the non-benifiting or losing mass that we have had a non-performing economy. The non-economic (ideological, political and administrative) reasons for this non-performance have to be identified and debated.

37 CMIE 1980.
38 Saluja 1981.

TABLE 1

PERCENTAGE DISTRIBUTION OF PLAN EXPENDITURE

	Secondμ	Thirdμ	Annualμ	Fourthμ	Fifthμ	Draft(Revised)b	Sixth c
Agriculture, Irrigation, and Flood Control	20.9	20.5	23.8	23.3	21.4	24.2	25.3
Village and Small Industry	4.0	2.8	1.9	1.5	1.3	2.0	1.8
Large Industry, Mining, Power and Transport	56.8	59.3	59.7	56.3	60.6	56.7	56.8
Social Service and Miscellaneous	18.3	17.4	14.6	18.9	16.7	17.1	16.1
	100.0	100.0	100.0	100.0	100.0	100.0	100.0

a Actual Fifth plan expenditure is for 4 years ending 1977-78. Source : GOI 1981a.
b Outlays proposed. Source : GOI 1979.
c Source : GOI 1981b.

TABLE 2

SHARE OF THE PUBLIC SECTOR IN GROSS CAPITAL FORMATION

	Percent
Second Plan	42.4
Third Plan	47.2
1961—62/1971—72	42.9
1971—72/1975—76	41.6
1976—77/1978—79	42.7

Source : CMIE 1980.

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INDIA'S STICKY ECONOMY AND SOME NONECONOMICS OF NONPERFORMANCE PART-II

By Raj Krishna

On the non-economics of India's poor economic record I would like to offer 10 propositions. They are presented merely as hypotheses for further verification or refutation, by empirical study, in an interdisciplinary spirit.

Preposition 1: Many development parameters in India, reflecting the progress, production and distribution, have become not only stable but almost insensitive to change of governments under the present political-administrative framework.

This proposition is consistent with the fact that key parameters like the growth rate, the (Gini) coefficients of consumption and rural asset distribution, and poverty and unemployment ratios have remained unchanged while, both at the Centre and in the States, governments have been changing in terms of their party-mix and personnel. It seems that farmers, businessmen and bureaucrats (the functional "kisans", "baniyas" and "babu") some-how manage to sustain the low rate of growth, and their upper crust absorbs the bulk of the fruits of this growth, in a rather autonomous process. The process is autonomous in the sense of being independent of the coming and going of governments. The babus in the government and the nationalised financial institutions collect an increasing volume of resources from the people as revenues

and deposits: and spend them partly on their own consumption, partly on public consumption (defence and social services) and partly on investment to produce basic inputs. These inputs are bought by the kisans and baniyas to produce a slowly rising stream of consumer outputs. This division of labour is well-settled, and while intellectuals conduct cold wars in their seminars between the so called "public" and "private sectors," the actual functionaries in both these sectors work in perfect collusion and harmony. Payments are regularly made, at agreed rates, for benefits and services traded between them. These steadily increasing, unproductive rents allow only a low rate of growth, even with increasing capital resources. The rents result in some redistribution among the non-poor from baniyas and kisans to netas, babus, and brokers. And more and more members of these latter classes are able to share the rents because of their increasing rate of rotation. But there is no significant redistribution in favour of the poor.

It follows that the poor people, as unorganised workers and consumers, should not hope to get much from changes in parties and governments, under the present, unreformed dispensation.

Proposition 2: There is no crisis or "breakdown." There is only a stalemate, a durable malaise of low growth and growing poverty which has been with us for a long time. It is highly probable that it may continue for some decades.

The "system" regarded concretly as a set of rules of the political and administrative game, is well-settled in writing; only its actual operation has been tilted by the operators to maintain parameter stability of which they are the main beneficiaries.

Intellectuals have been reporting a crisis and expecting a breakdown, leading to a nationwide chaos or revolution, ever since independence. But no crisis or breakdown has materialised. If there had been a total system-crisis, large and increasing resources could not have been collected by the govern-

ment from the people continuously. The average growth rate could not have been maintained; low growth years would not have been followed quickly by recoveries and high growth years. The system is indeed so robust that it has survived much communal violence, regionalist and linguist violence, caste violence, naxalite violence, industrial and electoral violence, and police violence. It has survived frequent floods, cyclones, droughts and epidemics. It has survived innumerable industrial and public utility strikes, and even civil service and police strikes. It has survived temporary recessions and inflations and chronic mass poverty and unemployment. It has survived elections, defections, splits and coalitions, as well as about of dictatorship. And finally, it has even survived a ghastly defeat in war.

Thus there is hardly any variety or scale of disturbance or distress the system has not withstood. It has been possible for the operators of the system to localise and control all "troubles" in time and space, by conceding some demands, postponing action on others and shooting down the rest. (That is how the system has been managed in India, indeed, in *any* modern or modernising polity where explosive material expectations must arise and exceed available supplies.) The wonder is only that the poor have neither seriously threatened nor captured the system. If and when they do so, we can speak of a system—change. But before (or after) they do so, another elite may try to give them a little more, or suppress them with brute force. (For, like nature, power-systems carry few vacuums.)

The notion that a system-change, in the milder sense of a change in some of the written rules of the game, will improve the situation of the poor may not be true. For at least one unambiguous lesson of history is that even the most democratic and redistributive constitutions, laws and plans, can always be tilted in their operation by their operators to their own advantage, and in violation of the values

underlying these documents-unless countervailing forces restrain the operators. This has happened systematically in the democratic West as well as the communist East. Our system is simply living upto this general pattern. It has not even generated enough built-in pressures for a minimum of efficiency, not to mention equity.

Proposition 3: Class analysis is indispensable for understanding politcio-economic dynamics. But in India such analysis still remains under developed and non-empirical.

There is no consensus yet, even among Marxists, about the class categories we need, and a set of defining criteria which are operational enough to permit measurement of the numbers and relative power of different classes, in a complex society in India. This is a society where numerous type of production relations, such as agrarian-feudal relation, agrarian small property relations, agrarian capitalist relations, small and large-scale industrial capitalist relations, nonagricultural self-employment relations and State capitalist relations co-exist on a vast scale. And large masses of people operate with primarily non-economic self-identities.

But in this, as in any other society, there remains a strong positive correlation between the distribution of class power and the distribution of assets. It follows that the hope of improving the relative asset position of the weak lies in improving their relative power position, and vice versa. And the real case for adult franchise and basic civil liberties in a poor and illiterate country is simple that this is a necessary condition for the poor to organise and politicise themselves and eventually get their due share of political power and economic assets.

Proposition 4. Though adult franchise, with basic civil liberties, is necessary, it is not sufficient to produce a representative government in the sense that it reflects the economic profile of society.

This proposition is consistent with the simple fact that though 50 percent of Indian households which are poor, belong to the landless, the mini-farmer, the artisan, and the petty self employed classes, 66 percent of the members of the first 5 Lok Sabhas have been professionals, 6 percent businessmen, and 23 percent agriculturists most probably from the upper crust of farmers. About 90 percent of rural households, again, are in the landless or mini-farmer or artisan categories but it is a good guess that at least 80 percent of State legislators come from the uppermost 10 percent of rural households.

If this is the outcome of the electoral process it must be true that power of numbers in the process is overpowered by the power of money, the power of vote banks and caste banks, and the power of charisma. The operators of the process systematically exploit traditionalism, illiteracy, obscurantism and bondage, to generate economically unrepresentative governments. This scene can be changed only if proportionate representation of economic categories supplements the representation of an undifferentiated electorate of a purely geographical basis.

Proposition 5. *The governments we have not only do not represent the poor; they also do not represent the intelligentsia or the nation's stock of knowledge.*

Prima facie, it seems that successive legislatures and executives are increasingly representative of the nation's ignorance. (By ignorance we do not mean iliteracy or ignorance of problems, but ignorance of their rational solutions.)

This outcome of our electoral mechanics can also change only if there is greater reserved representation of the intelligentsia in the elected and executive bodies.

Proposition 6. Decentralisation, in some specific dimensions,[1] *is necessary to improve the efficiency of production and distribution. But the process must be selective and optimal. It cannot be an unqualified creed.*

In some dimensions (mentioned in the Appendix) centralisation needs to be maintained. In areas where decentralisation is implemented, it should again, be regarded as a necessary but not a sufficient condition for the poor to get their due share of decentralised powers and resources.

It must be remembered that decentralised powers and resources have been systematically abused and misappropriated by local oligarchs and the delivering bureaucracies in full collusion. Thus decentralisation can be associated with increased waste, inequity and tyranny, if some auxiliary conditions are not fulfilled: (I) Technoeconomic expertise must be available at local levels to make and execute sound projects. (2) The membership of all local bodies to whom powers and funds are transferred must include special quotas for representatives elected directly by the weak beneficiaries of the relevant constituency. And (3) these local bodies must operate under the constant vigilance and pressure of single and multi-class unions of the weak.

Proposition 7. The State must be deglorified.

It must be shown of the 'kamadhenu' mystique and recognised as what it mainly is: a combine of netas and babus, a Djilasian "new class" configuration, which promises everything to everybody to get power, and then utilises the peoples' resources partly for its own benefit, and partly for the benefit of other classes, in proportion to their relative power and pressures. It follows that the State-combine can actually deliver more to the poor only if the pressures of the poor on it increase in relation to the pressures of other non-poor groups. More generally, the State apparatus is likely to work better, both

1. Enumerated in the Appendix on Administrative Reform

in terms of efficiency and equity, not when it has monopolistic or oligopolistic power, but in a scheme of *rational pluralism* in which other institutions of society - the private sector, the voluntary sector, and unions/lobbies of all kinds, counterbalance its power, compete with it, and, to some extent play it on a piece-rate basis for services rendered, particularly to the weaker sections of society.

Proposition 8. Ideology too must be deglorified and decomposed.

Ideology has always had three sets of elements:

1. A set of value- commitments: for commitments example, to security and liberty in the politlcal realm, and growth, full employment distributive justice and self-reliance in the economic realm, with varying weights.

2. A set of historical generalisations and prophecies: for example, Marxist propositions such as capitalism must collapse: class struggle is the main dynamic of history: technology determines class relations and interests; class interests determine the superstructure of ideas; the state will wither away; a series of class wars will eventually produce a classless society etc.; liberal propositions such as civil liberties and universal literacy will eventually produce the good society; neo-Gandhian propositions such as austerity, decentralism and satyagrah will produce a *sarvodaya society,*

3. A set of institutional and policy prescriptions, such as State ownership of the means of production, cooperationism tradeunionism, the four-Estate parliamentary system, panchayatraj, village industries, heavy industries, large-scale technology, small-scale technology, progressive taxation, land reform etc.

It is time to realise that for rational empiricists value-commitments alone can be the abiding part of ideology. Historical generalisations and prophecies, and institutional prescriptions

and policies, on the other hand, must always be subject to verification, refutation or modification, in the light of actual experience. There may be a core of truth in a generalisation or prediction. An institution or a policy may in fact help realise our values as expected. But if history falsifies any hypothesis or hope, history itself must not be falsified to sustain our faith in our initial ideas. The ideas themselves must be revised and refashioned in accorodance with objectively documented experience. It must be recognised, for instance, that only some of Marx's historical generalisations have proved to be true. For example, the tendencies toward industrial concentration and cyclical fluctuations in capitalism, which he predicted, have materialised and persisted. But his prophecies about the withering of the State, and about the disappearance of classes have proved to be false. And progressive immiserisation of the masses has characterised some pre-capitalist or intermediate regimes but not the capitalist regimes. Similarly, we have seen that none of the institutions idolised by utopians has yielded the expected results except in a few places. In fact each one of them (the democratic State, the cooperative, the trade union, the panchayat and the voluntary agency) has frequently become the exploitative instrument of a class or a coalition of classes other than the poor. Therefore the only viable ideology is an empirically disciplined, constantly revisionist. pluralism — a changing mixture of institutions and policies which are really found to work in the service of our abiding values.

Proposition 9. *"People", that is, the normal behaviour of masses of average human beings, should also be deglorified.*

Like the "State" and "Ideology," "People" too have been overglorified. Empirically, it seems that the average behaviour of masses of people, and their representative leaders, remains at a pretty low nonaltruistic level except under unusual leadership and/or exceptional circumstances. As humans, they are driven by the three major lusts: love (in the American sense),

money (material welfare) and power. Even scientific activity and religious activity (of the petitionary, ritualistic type) has been pressed by them into the service of these universal passions. One of the common contributions of all nonutopian thinkers-Marxists, hedonists, utilitarians, laissezfairists, pragmatists and behaviourists-has been to stress and recognise these motivations and to recommend institutions and movement which rely on the tremendous power of mundane self-interest of individuals and classes, rather than on expectations of excessive asceticism and altruism (though episodes of altruism are also a reality.) In this approach the non-utopians have been closer to reality and therefore more immune to disillusionment than the utopians. Utopians of all varieties-Gandhians, socialists, cooperationists, syndicalists, anarchists, religionists etc.-are again and again painfully surprised to find people persuing lust and laurel there than their avowed ideologies. By contrast, the psychological realist is surprised only by occasional displays of genuine altruism. This point is important because we in India have had an excess of utopianism associated with the over glorification of the "People". Hence the repeated chest-beating whenever the raw realities of normal human behaviour manifest themselves in all institutions. The central operational lesson of psychological realism is that enlightened leaders should fashion institutions so that the force of normal human motives is not only recognised but used for sustaining efficient production and equitable distribution.

The balance of organised class-power should be such that each class does its bit for others in its own self-interest. This implies the need to increase the class-power of the poor through their universal unionisation. It also implies the need to move towards an openly piece-rate politics, a piece-rate bureaucracy, a piece-rate education and a piece-rate economy.

Proposition 10. There exists a broad consensus about the major system reforms required in our political and administrative mechanics.[1] *But intellectual agreement alone will not produce effective action. it is necessary to generate suffi cient pressure from the bottom, on behalf of the poor, to make the rulers see it as their self-interest to implement reforms.*

For the non-poor, there is nothing radically wrong with the existing system; for they have proposed under it. Only the interest of the poor requires radical reforms.

Therefore priority must be given to what may be called the non electoral, non parliamentary, *parallel politics of the Poor* by the poor and for the poor.

Appendix A

A Brief Note on Administrative Reform

1, Introduction

It has been argued in the text that the failure of the country to achieve the objectives of high growth, full employment and distributive justice is attributable not so much to the insufficiency or the misallocation of investment, but the sheer waste and missappropriation of funds on a vast scale. This waste and misuse are in turn the outcome of serious inefficiencies in the very structure of economic institutions.

Therefore in the 80's almost total concentration on institutional form will be necessary. The agenda for such reform comprises, inter alia, the reform of the official administrative-managerial appartaus as well as the building up of new, effec-

1 See Appendices.

* See Page 57

tive organisations of the poor. But the vastness of the reform literature, including numerous reports of official commitees and commissions, is itself one of the obstacles to reform. For many bulky documents and suggestions confuse our politicians and bureaucrats into total inaction. Most of them are just too burdened with routine chores or too conservative to do much new reading about reform. Another major obstacle, of course, is the growth of the power of interests who think they would lose under any reform of the present arrangements. Therefore it is necessary to select and stress just a few core reforms and build up the pressures necessary for their implementation. It is also important to develop quantitative assesments of the gains and losses of different groups under each reform.

I would, accordingly, pick up just a few reforms for emphasis.

2. Autonomous Corporations and Two Part Payments

In order to improve the performance of public agencies engaged in production or deliveries to the poor, the most crucial reform required is that these activities be transferred from departments to autonomous corporations in areas where this transfer has not been made already. The corporations must be given real autonomy, i. e. a high measure of independence from secretriat control, except for (a) a few policy directives, (b) the appointment of top personnel, (c) devolution of funds, and (d) the requirement of an annual report and audit by chartered accountants. The top personnel themselves must not belong to any civil service cadre as such. They should all be people professionally trained in modern management science and/or technology. They should be given five-year term contracts, providing high salaries and liberal provident fund contributions, and renewability on the basis of strictly objective evalution of performance.

As in many socialist countries (recently), a better reward and punishment system needs to be established in all State economic agencies. In particular, the remuneration for work should consists-of two parts-a fixed monthly payment (the salary), as a kind of retainer, and a second, piece-rate payment strictly in proportion to objective indices of performance such as :

1) physical productivity/financial profitability,
2) kilometers of road or cubic feet of construction which remains undamaged for a given period,
3) the number and amount of loans given to the poor and or loan recovery rates,
4) the duration of normal, uninterrupted electric supply,
5) the duration of normal, uninterrputed water supply,
6) the number of low-income patients treated and cured in dispensaries,
7) the number of classes taken per year, grades obtained by pupils, and the opinions of pupils about the quality of teaching, ascertained in secret polls, and/or
8) the number of administrative/legal cases finally disposed of, and the average speed of case disposal.

These are only a few examples of the kinds of indicators which can be monitored by independent agencies and used for measuring and rewarding performance.

The proposal for regular price rate supplements to salaries paid in economic agencies of the government may appear strange to people who are used to the classical British notion of a bureaucracy. But in different forms such supplements are already being paid in all "socialist" countries. In fact, though the piece-rate system of wage payment was decried by Marx as the major mode of surplus extraction by capitalists, the new managerial bureaucracy in communist countries has used it for exactly the same purpose with the most detailed specification and differentiation of tasks, norms, and rates of payment.

In India itself, businessmen, farmers and even the poor, regularly use piece-rate payments to get all kinds of permissions and allocations from various tiers of the bureaucracy. Often such payments are necessary simply to buy "speed" in decision-making. Though universally condemned as "corruption" these payments essentially constitute a piece rate incentive system. If it is recognised as such, it can be rationalised to augment deliveries to the poor instead of merely serving the rich. There are numerous instances where even voluntary agencies working in rural/backward areas have succeeded in getting larger and speedier deliveries to the poor by making incentive payments to revenue staff, development staff and bank staff on a piece-rate basis.

3. Reduction, Computorisation and Specialisation

In the general administration, too, some frequently proposed reforms are overdue. Perhaps the most important is that the number of administrative tiers be reduced. It is well-known that the Indian administration has an excessive number of tiers through which primary and feed back information moves up to the dicision making levels at the top, and decisions move down to the field staff. It is still to be recognised in India that any administrative organisation is essentially an "information decision-action-feedback" system: and its efficiency varies directly with the speed and quality of the information flow. The longer the flow channels, the slower and more inefficient does the system become. In superior management systems abroad, there are essentially two level of personnel the field-action and information-collection staff organised in one or two tiers, and higher decision making staff organised in one or two tiers. These two key levels are assisted by a single tier of secretarial staff, the so-called "kitchen staff" in American parlance. Record-keeping is highly streamlined, and is now increasingly computerised, so that every tier has the information it needs literally "on tap."

There is urgent need to introduce such a system in India. A high-power commission, like the Pay Commission, should be appointed to reduce and rationalise the numerous tiers to the present administrative system into four or less, and to modernise our archaic "record-keeping" into an efficient information/decision mechanism.

Another urgently needed reform is greater specialisation in the civil service. A major cause of the inefficiency of the bureaucracy is that a large majority of the members of the main service-the Indian Administrative Service (IAS) have backgrounds in the fields of history, literature and law, whereas most of the dicisions today require detailed knowledge of modern management, economics and technology. Even though some specialised technical cadres have been created since Independence, the top secretarial posts are still more or less exclusively reserved for the members of the IAS. The IAS officers are regarded as capable of handling any problem, any sector, any ministry anywhere. Therefore they are regularly and randomly rotated between diplomatic assignments, police and judicial jobs, and all the economic ministries and corporations. The result is guaranteed ignorance or inadequacy of the specialised knowledge of every subject they deal with. If some of them diligently acquire detailed on-the-job knowledge of any subject, in two or three years, they are quickly transferred to handle other subject about which they know little or less.

This chronic mismatch between the knowledge required for particular jobs, and the knowledge which the administrators are required or allowed to have, is responsible for many gross errors of decision-making at the operational as well as the policy levels. Even the expensive training and retraining programmes for civil servants run by the Home Ministry, in numerous institutes, do not reduce the structured ignorance of our bureaucrats, because either the courses are general, hotch-potch courses; or, if they impart some specialised technical

knowledge of management, economics and technology, the trainees are posted, after training, in jobs where the specialised knowledge acquired by them is irrelevant.

The answer to this pathology obviously lies in rationalising the services into a few specialised cadres. The members of each cadre would be required (enabled) to have detailed, professional knowledge of particular fields. Their knowledge will be regularly updated in high grade specialist institutions. They would be transferable only between a specified set of ministries/agencies where their specialised knowledge is relevant, but not elsewhere. And, of course, the members of each cadre would be entitled to go up to the topmost positions in the ministries in their field.

4. Incentives for Rural Duty.

In a vast rural society like India, most of the action to ameliorate poverty has to be organised in far-flung villages where the poor live and work. Therefore special incentives need to be introduced to motivate development staff to stay and work in the rural areas. The current situation is that, for a variety of reasons, civil service perssonel try to stay away from the rural areas as much as possible. Their emolument structures include extra allowance for tenures of service in cities on the ground that the cost of living in the cities is higher than the rural areas. Allowances for rural duty are pitiably low. The employees also see their chances of promotion dimmed if they remain posted for long periods away from the Centre and State capitals, for they are not "visible" to the promoting officers in these capitals, and cannot participate in the "politics" required for promotion. The living conditions in the rural areas are also unattractive.

All these disincentives for rural duty can be reduced by suitably altering the rules of the administrative game. The length of rural duty can be specified as one of the prime conditions for promotion. Allowances added to salaries during

periods of rural duty can be substantially raised above allowances for periods of city duty. And residential suburbs can be built at all block headquarters so that employees serving the surrounding villages have all the basic amenities-housing, electricity, transport, water supply, sanitation, health, and education.

5. Decentralisation

The key concept which needs to be concretised through various reform measures is "optimum decentralisation" of development activity.

The qualifying word "optimum" is essential because some decisions and operations cannot be decentralised. But there are many which must be, for the simple reason that it is generally more efficient to locate management decisions at points where detailed field information is readily accessible and appropriate responsive measures can be promptly organised. A rational distribution of responsibilities can be structured as follows.

Planning and development of the following sectors can be decentralised to the State and lower levels: agriculture, land development, animal husbandry, fishery, forestry, housing, water supply, health, sanitation, school education and adult education, and local marketing. Sectors where a division of responsibility according to the size or the geographical incidence of the scheme would be appropriate would include: irrigation, mining, energy, higher education, and transport. In these sectors large-scale projects of inter-State or national importance should be the responsibility of the Centre and others of the State. Thus, railways, major ports, national highways, a few Central educational and research institutions, large power generation and transmission projects of inter-State importance, large-scale mining, and large-scale irrigation projects, can belong to the Central sector and all the rest to the State sector.

"Geographical" decentralisation is also necessary in another form. The present administrative structure is almost entirely sector-oriented in the sense that each department is responsible for the development of one sector in all regions of a state or the country as a whole. Field officers at lower geographical levels- the district and the block-report to their sectoral bossess in state capitals. The result is that there is virtually no agency to make and execute plans for the development of all sectors at district and block levels. The collector still remains, in the main, a revenue-collecting, order-keeping officer. Though he has much discretionary power and responsibility vested in him under numerous economic laws and schemes. he has hardly any unallocated development fund and development staff directly working under him. In effect, therefore, his responsibility for, and contribution to, the development of the district is minimal.

This situation must be remedied. It must be remembered that the average Indian district is larger in size than at least 60 independent countries, and larger in population than at least 75 countries in the world. Therefore in addition to the formulation and implementation of Central and State level (sectoral) projects, we need local planning and action to attack poverty directly at the district level. The district authorities must have decentralised, unallocated funds, in addition to the funds of the State's sectoral departments, which they can spend on supplementary schemes formulated at the district level itself. Strong project formulation bureaus consisting of whole-time technologists, economists and professional managers must exist at the district and block levels, to make techno-economially viable schemes on the basis of thorough surveys of local resources and potentialities. And, local agent of sectoral departments must be made answerable to the district authorities for certain purposes, so that their field work may be coordinated and supervised.

It has been accepted in India for a long time that a strong statutory local government (panchayat) system must exist at district, block and lower levels. But the reluctance of State politicians and bureaucrats to part with power, and to devolve adequate resources, has prevented a healthy evolution of the system (except in a few areas.) But the system can still be made to emerge and function if reforms are initiated at the highest level. As the Election Commissioner has suggested, elections to all sub-State bodies should be made the responsibility of the Election Commission. And systematic devolution of funds to them from State governments should be made a regular item in the terms of reference of the Finance Commission, and the annual plan allocation work of the Planning Commission.

6. Monitoring and Evaluation

Although in theory it is recognised that concurrent internal monitoring, and independent analytical evaluation, of field action, are crucial necessities of rational management, the fact remains that the vast majority of agencies engaged in development work in India do not have well-equipped concurrent monitoring units at present and the longer-term evaluation machinery is inadequate and slow. This results in prolonged ignorance on the part of top-level decision-makers about nonperformance, curruption and breakdowns at the bottom, so that remedial actions are not taken in time.

This deficiency can be easily remedied. Basic monitoring units can be established in all operating units where they do not exist at present. They should regularly gather primary data in computerisable schedules, designed by Central evaluation organisations, and send them to these organisations as well as supervising ministries. And evaluation organisations should exist and operate as autonomous out-fits in all Central and State planning agencies, with full freedom to publish their reports, and their recommendations for corrective action.

7. *The Administration of Administrative Reform*

Whenever administrative reforms are proposed, the crucial question of the machinery to implement the reforms themselves must be faced. Although reform-units have existed in the Home Ministry for a long time, most of the important proposals for reforms have been effectively shelved or killed because the proposals are processed by the very bureaucracy which is supposed to be reformed, and it naturally fears the losses which reforms may bring. Therefore the machinery to implement reforms must be independent of all Ministries. In the present set-up it can only be the Prime Minister's Secretariat. The Secretariat should propose the necessary legislative amendments, issue the consequential administrative orders and enforce their implementation. Government employees need to be assured that reforms would involve no retrenchments or pay losses. But they must be told at the same time that, as jobs and agencies are rationalised, retraining and redeployment will be required on an extensive scale.

The Jha Commission appointed recently can play a crucial role in promoting reform if it is made a standing commission like the Planning Commission and its terms of reference are enlarged to cover all the areas of reform mentioned above.

Specifically, it must be enabled to review, rationalise and simplify all economic laws, controls and schemes, as well as their administration. It should be empowered even to recommend scrapping some of them. And all components of current and investment expenditures by the government should be regularly scrutinised by it and pruned if necessary.

It should have access to all the (official and nonofficial) data and testimony it needs. And its power should be demonstrated by the Prime Minister's Secretariat directly implementing its recommedations without being obstructed by the affected agencies.

8. The Politicisation of the Poor

In the three latest planning exercises for making the 4th and 5th Planes and the 3 versions of the 6th Plan, substantial resources have been allocated for schemes specifically targeted at the poverty groups in the form of *antyodaya*-type family-aid programmes or work guarantees or reservations. The set of such schemes includes land improvement and minor irrigation schemes; dairy, poultry, fishing and forestry schemes; small farmer development schemes; drought prone area, desert area, hill area and backward area schemes; scheduled and backward caste and tribal development schemes; village and small industry schemes; and the minimum needs programme. But the bulk of the benefits of these schemes have not filtered down to the target groups or areas-either because the schemes have not been implemented at all in many areas, or because the benefits have been misappropriated by the rural oligarchy and the delivering bureaucracy.

The only answer to this twin malady of non implementation and corruption lies in the conscientization and unionisation of the intended beneficiaries so that they can effectively secure the assets, work opportunities and social amenities which have been promised to them under all these schemes, as well as under laws such as land reform laws, laws for the cancellation of usurious debts, laws terminating bondage, and laws protecting the grazing and forestry rights of the poor.

It is heartening to note that in a large and growing number of places, voluntary agencies led by Gandhian workers, Christian workers, professional social workers, and educated women and youth, have organised the poor and secured substantial benefits for them e g. distribution of ceiling-surplus land; release of mortgaged land and trees; restoration of the grazing and forestry rights to the poor; reserved loans at low rates of interest; delivery of assets such as dairy cattle, goat, sheep and poultry units and fishing equipment; marketing aids

guaranteed employment in rural works; technical assistance etc. Numerous case studies of some of these successful struggles have recently been published by various organisations.

Since normal electoral party politics and parliamentary politics based on universal adult franchise have failed to reduce poverty, the hope of reducing it now lies in the proliferation of such movements of the poor at the base of the polity.

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* The DAG HAMMARSKJOLD FOUNDATION, Uppsala; and the Indian Social Institute, the Gandhi Peace Foundation, the Association of Voluntary Agencies for Rural Development, the Centre for the Study of Developing Societies and the journal "How in New Delhi."

Appendix B
A Summary of Some Recently Proposed Reforms of the Electoral System

The Election commissioner Shri S. L. Shakdher, and the eminent lawyer Shri N. A. Palkhivala, have recently proposed some basic reforms of the electoral process which are summarised here for reference. Many of these or similar proposals have also been appearing in other publications.

Mr. Shakdher has suggested:

(1) an election fund of Rs. 100 crores;

(2) an increase in the ceiling on election expenses incurred by candidates;

(3) an increase in the number of proposers, and the amount of the security deposit required, from candidates, and the forfeiture of the deposit of a candidate who gets less than 25 percent of the votes cast;

(4) regular audit of party accounts; and

(5) identity cards for all voters.

For improving the system of representation his proposal is that 50%of MPs and MLAs be elected directly from territorial constituencies; and the remaining 50% of legislative seats be filled up from lists furnished in advance by the parties in proportion to the votes secured by them.

Mr. Palkhivala has also suggested proportional representation of parties securing more than 10%of the votes cast.

But his prime concern has been to improve the quality of legislators and ministers. Therefore he has proposed that:

(1) basic qualifications be prescribed for all candidates;

(2) two MPs from each State be elected from the learned professions; and

(3) able ministers be appointed from outside the legislatures.

TOWARDS FRATERNITY : PROBLEMS OF SOCIAL CHANGE

by B. G. Verghese

Man does not live by bread alone. He is a social being and his socialisation has created civilization. Society, however, is not static, but constantly changing in rosponse to changes in technology, the internal and external environment, and other relationships. The very process of change can be painful and result in tensions, and group conflict. Therefore, problems of social change cannot be left to chance and should be wisely managed. Liberty is a natural human instinct, and equality a necessary corollary. Fraternity, embodying in itself the harmonisation of social relationships, is no less important.

Thirty years of development have not liberated India from poverty while concentration purely on economic growth has obscured factors of social change. A democracy must be not only for, but by and of the people. It must be an instrument of economic and social transformation. That is, democracy must work and work at the grassroots.

When we look around us today, we see a landscape of turmoil and ferment. We are alarmed over this and some of us despair. But look at the picture more closely. The culture of poverty with which we have lived has traditionally been a culture of silence. Some of you might recently have seen the film "Akrosh" which graphically illustrates the eloquence of this silence. However, growing awareness is leading to a cul-

ture of protest. The dignity of the individual and his social and economic rights is not a gift to be given or taken away at will or to be doled out in small measures. It is an inherents and inalienable right belonging to each and all of us.

The Indian Constitution, as all constitutions, proclaims: "We the people of India do hereby adopt, enact and give ourselves this Constitution". Who are the people? Essentially ours is a highly stratified society of "we" and "they". Development has largely benefited the urban rich and, to some extent, the rural elite, ignoring the others, the people, for whom poverty is the governing reality of their lives. We have been late in realising that development means something more than economic growth and that modernisation means much more than imitative Westernisation. Economic equality is an imperative and, alongside it, social equality and cultural growth. From this stems fraternity, a concept of great significance and substance,

Development involves change, and change affects people. Technology too. Neither development nor technology is however value free. Gandhiji put the people at the centre of his concerns and society ahead of the state. The people of India are not a single, monolithic entity. The stratification mentioned earlier operates both horizontally, between one part of the country and another, as well as vertically, in time, with different sections of the population living at different levels of technology, social development and sophistication. We cannot therefore restructure India uniformly. We have to get away from thinking of a uniform pattern as representing order and stability. We have instead to think of dynamic change.

We frequently refer to the "national mainstream" and expect different ethnic, religious, linguistic and other minority or regional groups to join it. This is to display cultural arrogance. India is not a melting pot like, say, the United States

where everyone come in from different parts of the globe and became American. Our effort has been to achieve unity in diversity. This implies that India must be a space large enough to encompass all the diversity of its people and not only enable them to co-exist on equal terms, but to grow and find fulfilment. India became free in 1947, but the Indian nation is still in the making. What we see in Assam or Gujarat or elsewhere are parts of the process of nation-building. We must understand this clearly and not flinch from its implications.

We have been prone to use cliches to cover up the reality and to treat the symptoms rather than the disease. In 37 years we have failed to live up to the Directive Principles of the Constitution. The underprivileged mass of our people are excluded from the system with inadequate or no access or participation. Yet, with growing consciousness, there are stirrings from below and, in the phrase used in another context by Sharad Joshi, "Bharat is becoming India". The upthurst from below is producing instability and whether it is the reservation issue in Gujarat or sons of the soil, or Assam, or the turmoil in Manipur, they are all part of the same ferment. Unless there is orderly and mediated change, there will be revolution. We must know that when and if the people protest, and do not find a democratic response, they will resort to the streets. We cannot ask them to be patient. Some of these people have been waiting for a thousand years. Moreover the status quo, which many of the existing structures represent constitutes a form of institutional or structural violence that lacks legitimacy.

Let me deal with some key issues of social change. Education and health are basic because they stand at the very threshold of equality and fraternity. Education is a set of values and a body of skills that enables people to fulfil their aspirations. The constitution laid great stress on universal, free and compulsory education for all children up to the age of 14 by

1960. At the present rate, we are not likely to realise this goal before 1995. We have concentrated too much attention and accorded too high a priority on higher education at the cost of the base. Not merely have we neglected primary education, but adult education as well. We have raised a superstructure of higher and technical education on a foundation of illiteracy. The low enrolment in schools in many parts of the country is no secret. Nor the high dropout rates, and the low enrolment of the weaker sections and especially, girls. A formal system of schooling does not by itself constitute learning. Both learning and schooling in the Indian Educational system are unrelated to life and the environment. As the Education Commission (1966) said, "Education in India is a substi tute for work rather than a preparation for it". Nothing signifies our failure to design a truly relevant education than the fact that half the members of the Commission consisted of eminent foreigners.

In any event, we cannot have a satisfactory system of education even at the elementary level if we have different standards of schooling with good well-appointed private or convent schools and so-called public schools for the elites on the one hand, and poorly equipped and staffed and over crowded Government and other municipal schools on the other. The Education Commission recommended common schools. Nobody was listening. Duality in education divides society. We have to move towards common neighbourhood schools. There has been some movement in this direction as in Kerala for example. Elsewhere there has been little change so far. If we want common schooling, it becomes very important that children are educated in the mother tongue, in a language that they can understand and in which they can absorb learning.

At higher levels we have an over supply of doctors, engineers and professionals of various kinds, all looking for secure white-collar jobs but unable to cope with the limitless work

that India has to offer. Little thought has been given to the pricing of higher education. The higher the level and the more technical the subject, the greater the state subsidy. Yet there is often a low return on educational investment beyond a certain point. Therefore we need to look at the cost of education and price it upwards. However, meritorious students of poor means should be provided with scholarships. Simultaneously jobs should be delinked from degrees and those terminating their formal education earlier should have access to opportunities for continuing education, general and technical. There has been a failure to create a meaningful vocational stream and terminal stages. These would be acceptable provided people are enabled to improve their skills and qualifications later at will. We have loaded too much on to an inadequate and top heavy formal system and done little to meet the requirements of the vast informal and non-formal sectors.

The national adult education programme initiated in 1978 could have let to a breakthrough but has been officially devalued. There are some 100 million illiterates in the age group 15 to 35. They represent a segment of population that would have been literate had we lived up to the constitutional promise of free and compulsory education for all by 1960. Adult education is very important must be conceived as something more than the three Rs. It is geared to literacy as much as to the creation of awareness and the promotion of functional skills. Awareness leads to action, through organisation aimed at enabling the disadvantaged to secure their rights and move up the economic and social scale.

Again, in terms of health, the formal system has overwhelmed us. It is urban-biased and hospital-and-drug-oriented ignoring the fact that health precedes medicine. Only an ill person needs to go to hospital or get drugs. We however do not devote as much attention to health as to illness. The formal medicare system as it operates has a limited outreach,

while much of the morbidity and mortality that we witness have less to do with hospitals than with drinking impure water, insanitation, malnutrition, poor housing, insufficient clothing, not enough use of soap and lack of preventive measures of various kinds.

Communities which earlier tended to be rather more responsible for their own health have now become less so in the belief that the government has taken over. In point of fact the formal medical system has not and cannot substitute community health care. We are committed to Health-for-All by the year 2000 A.D. But if we are to achieve that we need a structure of health care which is community-based and grows from the bottom up with specialisation at the top. This would ensure basic preventive care instead of merely catering to advanced cases requiring complex curative intervention.

Health is a package of services and much more than a hospital. It encompasses nutrition water, sanitation, shelter, maternal and child welfare. Yet there is a tremendous wastage of life in an infant mortality rate of 120 Per 1000 (1978)— one of the highest in the world. Maternal mortality too is distressingly high.

Family planning is part of the health package. Population, as the latest census indicates, is growing alarmingly. The 1981 Census count is about 12 million more than anticipated. This places a tremendous burden on the whole system. However, population growth is both the cause and the consequence of poverty and any bid to limit it must go beyond purely bio-medical measures or family planning as it is called, and take in human development — education, health, nutrition, the status of women, and so on. Where these parameters are taken care of, the social indices have shown an upward curve. In Kerala, Tamil Nadu, Goa and parts of Gujarat and Maharashtra, fertility has dropped with the lowering of infant

mortality. But in other States with adverse social indices, as in Bihar, Uttar Pradesh and Rajasthan, both fertility and mortality remain high.

When we talk of human development, of education, health and the rest, we are talking of people. Almost half the population consists of women. Almost half, because India is one of those few countries where there are fewer women than men. For 70 years, from 1901 to 1971, the sex-ratio or the proportion of women to men has been steadily falling. There were 970 women to every 1000 men in 1901. By 1971 this was down to 930 per 1000 men. The sex ratio has risen to 935 in 1981. But this still emphasises the low value placed on female life in India. The incidence of illness, hunger and lack of education, falls primarily on the women of India. They are second class citizens. And it is not merely a shame and a disgrace that this be so : it is a tremendous economic, social and political disability that keeps the country from moving forward. This is clearly something to which we must pay more attention.

In discussing the minimum needs programme we would do well to realise that it is essentially the woman who provides food, nutrition, health and education to the very young. Women deliver the minimum need programme, and men merely supplement it. But look at the routine of Indian women, particularly in the rural areas. They spend a whole lifetime from the moment they can first walk to the time that they can still walk, fetching water, fuel and fodder. The rest of the day is spent before a smoking choolah trying to cook a meal from whatever can be provided. This means that creativity, heath and opportunities for learning, acquiring skills, and economic independence among women are adversely affected because of the enormous drudgery to which they are subject. Therefore it is right and wise to have added fuel and fodder to the list of minimum needs, because unless these necessities are provided alongside water

supply, this enormous feminine drudgery will continue to burden the health and well being of society.

-No surprise that women have been so responsive to the Chipko movement in Uttarakhand, UP and elsewhere. Women have responded because they have come to realise the connection between the fragility of the ecology and their own dreary living and the drudgery and opportunities they have lost. So the status of women is an important and urgent element in the social change that we need to bring about. Womne must have more training and enjoy more access and participation in the whole system. They are not merely child bearers and child rearers; they are an important element in the labour force, though primarily in the informal sector, whether in agriculture and animal husbandry as artisans or in trade. Women are a very important economic category. Yet they suffer a good deal of technological displacement in many traditional areas of female employment. There is need for new thinking on how we develop the economy while caring for the environment and ensuring the economic independence of women.

Apart from women. there are other segments of population that are disadvantaged — Harijans, adivasis other backward classes, and so on. Caste is gradually shading into class though it encompasses less. We are understandably concerned about Harijan atrocities and we wonder whether such atrocities are on the increase. Whatever the figures, there is a qualitative change. People at the bottom are asserting their rights. If you look at instances of Harijan atrocities, in most cases you will find it is on issues of land or minimum wages in which landless labourers are demanding their due to the annoyance and anger of higher caste landowners. Even rape cases do not signify a sudden spurt in male lust in India as much as an arrogant assertion of traditional rights of possession and authority on the part of superior castes who feel threatened by the stir at the bottom.

The class and caste structure is undergoing change. It long represented a stable ordering of relationships on a vertical scale. This is now changing with caste gradually merging into class with upward and lateral mobility. We must recognise and build on these factors and not think in terms of "atrocities" and rape merely as law and order problems but as manifestations of social change. We must recognise what is happening or fail to address ourselves to the basic problem.

Likewise, the whole area of sanitation links up with health and touches on human dignity. There are examples of sanitation movements such as the "Safai Vidyalaya" in Ahmedabad and the Saulabh Shouchalaya Sansthan in Patna. The elimination of scavenging should have been taken up at the threshold of Independence. But little was done. Only a limited proportion of the urban population enjoys the simple, hygienic facility of water-borne latrines and less than a third of urban India has any kind of sewrage system. This respresents an extraordinary failure of perception of where our real priorities should lie.

Education and health for the weaker sections, the submerged masses, constitute the beginning of opportunity. Because of generations of exploitation and neglect of Scheduled Castes and Scheduled Tribes the principle of reservation was introduced. It is fallacious to imagine that they are redundant. However, reservations cannot be merely limited to a system of co-option of elites among the disadvantaged. It is necessary simultaneously to open up opportunity at the grassroots through the processes mentioned by Raj Krishna and Rajni Kothari so that the mobility being manifested in our system finds legitimate expression in more opportunities for work, eqality and status.

There is perhaps a limited problem of reverse discrimination, which may spark protest in Gujarat, Tamil Nadu and elsewhere. But this is something that can be contained and is a problem

that we may have to live with for some time at the borders of social change. The eruptions that take place now and again are episodes. Such episodes at points of friction and adjustment will continue to occur over a transitional period until we move on to a higher and more accommodative plane. This will only happen if we make more space at the bottom to create opportunities. The problem of ethnicity is not peculiar to India. It exists around the globe, in the United States, in Canada, in Belgium, and in the developing world. It is really a question of access and participation.

We have in India another very deprived population, that is, the tribal people. One can forecast without any shadow of doubt that the next decade is going to witness a series of explosions right across the Vindhyas, Satpura and Ghats, from coast to coast. For here again something has happened. The tribal population, the original inhabitants, have been pushed back into the interior over the years and are now confined to a strip of forests and hills. These are their last reserves or residual homelands. But now the forests are being cut for industrial or other uses or fuel wood. The development process is also entering these reserves or homelands because in them are the headwaters of our great rivers and they provide dam sites for all water resources development. Navagam, Chambal, Rihand, the DVC. Hirakud are all in this belt. Moreover, these areas hold 70 to 80 per cent or more of India's mineral wealth-coal, iron, limestone, dolomite manganese, copper. The "development" taking place here is displacing the tribals and taking over their homelands. Giant plants like Rourkela and Bhilai, mines, power stations, river valley projects, railway extensions, new townships and investments are evident. In all this, however, the adivasis are being supplanted by outsiders- skilled workers, managers, administrators, police and contractors. Each of these developments represents a vast investment with a complex infrastructure of telecommunications, roads, water supply, power grids — all the paraphrenalia of "growth". But who moves

in ? "We" move in. "They" get some little compensation, of which they are quickly deprived by liquor contractors and others. Their women are sexually assaulted, their culture is debased and derided. They are alienated and condemned to remain hewers of wood and drawers of water. Well, the adivasis are no longer prepared to accept this situation. They are determined to preserve their identity and their culture. They will fight.

The cutting of forests is not merely an act of vandalism but mocks the culture of the tribal people. There are plans to cut down 70,000 hectares of sal forest in Bastar and plant it to tropical pine as feedstock for paper pulp. In the process there is danger of decimating a way of life, thereby creating a law and order problem that could mean that the pine trees never mature either. So there is obviously need for more care in planning and social management. The same is true of the North East-in Assam, Nagaland, Mizoram, Tripura, Manipur, Meghalaya and Arunachal. Delicate problems of acculturation and assimilation are involved. Steamrollering small ethnic groups to join the national mainstream can produce sharp reactions emphasizing differenticiation and fear for their separte identities. India has to be big enough to accommodate all this complexity and diversity.

Another factor of increasing significance is migration — rural to urban and from densely to sparsely populated areas, especially to tribal homelands where development programmes are under way. Millions of construction workers are on the move all over the place. Millions of agricultural labourers migrate seasonally, some 100,000 labourers from Bihar to Punjab alone.

Development is creating a variety of change in the demographic profile and the composition of regional and local populations. This poses questions of "sons of the soil" mulki

and "outsiders" and could lead to Assam-type problems. We have got to take note of these trends. We cannot wait until something explodes and then treat it as a law and order problem. These are problems of social engineering. We can anticipate them. We can see them coming, and must therefore structure our policies and priorities appropriately. We might for instance consider whether we should not provide greater cultural safeguards to protect the identity and language of local people against democratic change so that they do not feel threatened and thereby impede the processes of migration which otherwise may be benign and necessary to development and integration.

We speak of India as a rural country. This it is. But urban Indian is the fourth largest "country" in the world. The latest census figures underline the burgeoning growth of our cities. inadvertent cities as they have been called : Calcutta 9.5 million people; Bombay eight million; Bangalore three million; Ahmedabad 2,5 million. There is a great urban explosion in the developing world. This is not solely the result of a natural increase of population, but more due to the in-migration of dispossessed millions squeezed out of the countryside. We are alarmed by formal refugee movements-people crossing national borders, or displacement caused by floods. Can we be unconcerned about this vast rural-urban movement which is taking place ? The pattern of urbanisation is changing too. Rural migrants are now moving in a single step to metropolitan centres. The rates of growth of the megacities - Ahmedabad, Delhi, Bombay, Calcutta, Madras, Bangalore, Hyderabad-have far exceeded the assumptions in their master plans. So urban policies call for some rethinking. We are growing cities of the rural poor. They are not traditional urban cities or industrial cities as in the West. They are of a very diffferent kind and demand different solutions. And yet our whole structure of urban government is old fashioned, almost chaotic, based on municipal laws going back 50 or 100 years. Our city

power and are without consitutional safe-guards. They can be dismissed at will and fresh elections may not be held. If these cities malfunction then whole regions may be paralysed. There has in some cases been a near-breakdown in urban government and worse threatens. We need to think more clearly about regional planning and the desirability of granting autonomy in the administration of vast metropolitan agglomorations like Bombay and Calcutta. In fact, they need to be treated as States because they are intrinsically faced with similar problems. Indeed, the division of the country into smaller States and districts is overdue as part of an overall process of decentralisation, access and participation.

What about housing ? We have excellent architects in India. But none more competent than the jhuggi-jhonpriwa-allahs who have been able to build something out of nothing and to use space in the most efficient manner. Our philosophy has thus far been to bulldoze them. We cannot do that any more. We have got to help squatters to improve their lot. They have an intuitive least-cost technology which needs to be upgraded. We have to go in for cheap public housing and sites and services. We neglected housing as we believed it had little to do with development and was something of a luxury. We thought people could live anywhere. This is not so. Housing and city-planning are urgent and basic needs.

We have to think in totally different terms regarding locational policies, growth centres, choices of technology, and perhaps disincentives and rebates that will spread urban growth. We must work to revive the district and sub-district towns the countryside and promote newer growth centres in the rural areas because the countryside too must be urbanised. As Raj Krishna explained, the object of policy must be to take people off the land and reduce the load on agriculture - though agriculture is our biggest industry and will have to absorb the bulk of the new entrants to the labour force for the next 15 to 20 years.

Yet again, when we speak of the village, we tend to think of it as the basic unit of development. Why so? The isolated, self-sustaining, subsistence-level village of 1940 or 1950 was perhaps a natural economic unit. But it is no longer so with communications technological change and the movement from subsistence to commercial farming, Inputs and extension services must come in while grain and other produce are marketed outside. More than half our villages have less than 500 inhabitants. They are not necessarily viable as units of modern agriculture or land and water management or for marketing, or in terms of the technological scale of rural industries. Clusters of villages would make more appropriate units. Attitudes towards human settlements must undergo change. The village will remain the unit of settlement and self-management but the large village or cluster would be the basic unit of development.

We are a country of enormous diversity, trying to build a new nation without a common language. Despite a horrendous babel of tongues and the emotion and violence attending the language issue in India, there has been a tragic bankruptcy of language policy. We have done little to promote any of the scheduled languages, whether Hindi or any other. We have few inter-language dictionaries or efficient keyboards. Our methods of language teaching are archaic Script-standardisation and simplification have not been encouraged. Simultaneous interpretation facilities practically do not exist outside Delhi and in the capital are confined to Parliament House and one or two halls. Indian cannot talk to Indian horizontally and Indian cannot talk to Indian vertically. It is very strange that the real issues of language have attracted no political attention whatsoever though language is basic to the whole process of communication, awareness building, education and opportunity.

The scheduled languages apart, India has an enormous number of other languages and dialects. The lesser - spoken

dialects and languages are important forms of cultural expression and group identity. The major languages, however, are in addition media of administration and higher education. At the top, there is clearly need for a pan-Indian language, a lingua franca. It is important to remember that although we have many languages and several scripts, we have to a very large extent a common alphabet. This should merit thought with regard to facilitating initial language learning through a common script.

Secularism is another major policy issue. Last year we were shaken by the terrible tragedy of Moradabad. In this matter we are again rather old fashioned in trying to fight communalism without doing very much to promote secularism. These are two very separate concepts, though we tend to regard them as one. Secularism means more than merely respecting all faiths. In its other, wider sense secularism implies modernisation in economic, social and political terms. We are however still prisoners of historical memory and of revivalition and we witness blatant political exploitation of communalism and casteism for votes. Some parties and groups seem to feel threatened by genuine secularism as they fear losing a useful political prop. Politicisation of the communal issue has aggravated the problem. Essentially however, the communal question has moved from issues of security and integration to those of opportunity, education and social change.

Muslims in India unfortunately tend to constitute a depressed class because, barring exceptions, they did not get on to the escalator of education and development sufficiently soon after Independence. They retreated into a shell from which they have only now begun to emerge. This is a welcome, change but must be accelerated, for if any large community lage behind it will be a drag on the progress of the whole.

The Constitution speaks of a uniform civil code' but, we do not have one. Now rather than wait indefinitely, one

option would be to legislate a common code and let those who desire opt in for it. After a period of 15 to 20 years, everybody may be deemed to be covered by the uniform civil code unless they specifically opt out. But if within the intervening period, this modernizing, process fosters secularising change at the grassroots, then within 20 years at most a uniform civil code would have come to be generally accepted and few would opt out. This is not to question the right that every community has to order its own affairs in the manner it pleases, which is what secularism enjoins, but it is to create a better integrated society where those who want to do so can share things in common.

We have also to shed some misconceptions about Hindu culture. "Hindu Rashtra" would be unacceptable if the concept were equated with a "Hindu State" in which Hinduism is the established church. In origin, a Hindu was citizen of al-Hind, and when Hind took on the westernised form of "India", the term Hindu came to be applied to devotees of the religion that now bears that name. Hinduism is not a religion of the Book and is eclectic, a way of life, a philosophy, a culture as much as a religion to its adherents. One sees this very clearly in a country like Indonesia, a Muslim society with a Hindu culture based on the Ramayana. Likewise. Thailand is Buddhist by religion but basically Hindu in culture. We have therefore to distinguish between religion and culture, Hinduism embraces both. Given this understanding, many fears would probably melt away.

There is constant reference to minorities and the majority community. These phrases have little meaning. Everyone is a minority because we are divided into castes and sub castes, ethnic group, linguistic majorities and minorities, and so on. We have to get away from this outmoded vocabulary. A majority in one context may be a minority in another.

Communication is another neglected area. It is important because out of this grows awareness and the linkages that

we need both for development and for nation-building activity. The media, whether the Press or broadcasting, does not reach sufficientiy down, with only a trickle below the district/urban level. Broadcasting, which has a wider reach, has more or less been appropriated by the Government as its-own. The purpose of autonomy for broadcasting has been argued on a false premise of whether it is with or against the government rather than whether it is of and for the people. Decentralisation is necessary at all with a community press and local radio and television.

Our judicial system likewise, for all its merits, does not really work. It takes an enormous amount of money and leisure for the average man to get justice. Because howsoever well the system works at the grass roots, the structure has got encumbered in technicalities and corrupted. So we have neither the mediation of communications nor of universal education and equal opportunity, nor of social justice for the disadvantaged mass. This is the process leading to the breakdown of the state which Rajni Kothari talked about.

However, we need not think that only India is in this situation. Because of the vast size of the country and its diversity, and the many intersecting points where diversities meet, conflicts erupt. But one way or the other this is a global condition. The whole world is groping for alternatives for a variety of reasons - rapid technological change and the failure of structures to keep pace. Everwhere too. there is a search for identity by smaller groups who do not wish to get lost in a uniform mass. An Indian alternative centred on the people was sketched by Gandhi. We turned our backs on him and are now beginning to wonder whether this was altogether wise. One of the remarkable things that has happened in recent years has been a certain rediscoveries of Gandhi. Perhaps the principles and values he preached may contain some of the seeds that we are seeking for restructuring our society in and for fraternity.