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Alternative Development

Some Reflections



JANSAHAYOG TRUST

ACKNOWLEDGEMENT

Jansahayog is pleased to published the English version of this booklet which was first printed in Marathi and then Hindi. The Marathi version was published by the Rashtra Seva Dal and Keshav Gore Trust, Mumbai. In 1998 Bagaram Tulpule undertook a Hindi translation which was published by Jansahayog Trust. The Hindi booklet was then translated into English by Prof. N.K.P. Sinha of Muzaffarpur, Bihar.

We are grateful to all of the above for their painstaking endeavour. We would also like to thank Madhukar Deshpande and Dionne Bunsha for substantially editing the English manuscript. We also thank Nita Mukherjee for her help with proof-reading of the final pages.

We hope that this booklet will help the process of reflection and debate on the nature and challenge of alternative development and thus strengthen the struggle for a more humane and just society.

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November 1999

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Alternative Development: Some Reflections

INTRODUCTION

Much of what is currently done in the name of development has failed to bring happiness, prosperity and social justice to all people on earth. This has been self-evident for several decades. The unabated plunder of natural resources has severely disturbed the equilibrium of nature. In many countries, people are being deprived of the natural resources which constitute the bedrock of their livelihood. Thus scholars, intellectuals and activists all over the world are protesting against so-called development processes which threaten the ecological balance and foster gross inequalities.

The prevailing model of 'development' must be abandoned. People all over the world must work together to evolve a sustainable, genuine form of development based on humane, egalitarian and just principles. While many scholars have convincingly explained the flaws of the existing concept of development, not many have provided a detailed sketch of a model for sustainable and genuine development. Clearly it is not enough to limit ourselves to detecting the defects of the present model and remove them in a piecemeal manner.

We need a vigorous discussion on alternative concepts of genuine development with its related economic, social and political structures. Many groups in India have been engaged in this exercise for the last decade. This paper is partly based on the discussions during a seminar on 'Alternative Development Concept' organised by Surana Gaurav Kosh, Rashtra Seva Dal, and Keshav Gore Memorial Trust in Mumbai in October 1995. The seminar was led by various resource persons and attended by about 80 activists from different regions of Maharashtra.

In view of the spontaneous acclaim received by this seminar, we decided to publish a treatise embodying the concept of alternative development in greater depth for use by activists and researchers. This booklet is a modest endeavour in that direction. Bagaram Tulpule, Pannalal Surana, Gajanan Khatu, Sanjaya Mangala Gopal and Umesh Kadam participated in the process of drafting this booklet. It is not our claim that this is a comprehensive or final assertion on the subject. Rather, the austere aim is to provide an impetus to further reflections and to facilitate deeper, systematic and concrete deliberations on the question.

Grim Reality of Destructive 'Development'

The course of 'development' over the last half century, particularly during the last two or three decades, has given rise of many serious questions:

- * What indeed is the true nature and impact of contemporary development?
- * Just what are the 'benefits' of this development and who are its beneficiaries?
- * What exactly is its cost and who pays the price?
- * What effect is it having on the environment of the earth and the animal life supported by it? And how long can global natural resources sustain such development?

The answers to many of these questions present a grim scenario. The following facts and figures have been reported in the United Nations Development Program's annual Human Development Reports. [The contentious terms 'developed' and 'developing' countries are used here as they appear in the Human Development Report.]

Poverty

- * From 1970 to 1985 the global GNP increased by 40%. Meanwhile, the number of people living in poverty increased by 17%.
- * The OECD countries have an average per capita income of US \$20,000. Yet in 1996, in these countries, more than 100 million people lived below the poverty line, 30 million were unemployed and 5 million were homeless.
- * More than 100 million school-age children in the developing world are not enrolled in primary school.
- * In Africa, an estimated 20% of children work. In Latin America, between 10% and 25%.

Pollution

- * 2.7 million people die every year due to air pollution.
- * More than 70% of the deaths from outdoor air pollution are in developing countries.
- * The total health costs of urban air pollution in developing countries were estimated to be nearly US \$100 billion in 1995, with chronic bronchitis accounting for \$40 billion.

- * Every year, water pollution causes nearly 2 billion cases of diarrhoea in the developing world, and diarrhoea diseases kill some 5 million people annually.
- * As many as 50 million Americans may be drinking water polluted by pesticides.

Consumption, Waste and Disparities

- * Almost a billion people living in developing countries are malnourished.
- * The wealthiest 20% of the world's people —
 - ~ Use 58% of the world's energy
 - ~ Consume 45% of all meat and fish
 - ~ Own 87% of the world's vehicles
 - ~ Have access to 74% of all telephone lines
- * The assets of the world's 348 billionaires are greater than the combined annual incomes of 45% of the world's people.
- * One child born in New York city, Paris or London will consume, waste and pollute more in a lifetime than as many as 50 children born in the average developing country.
- * The average person in North America uses more than twice as much electricity as someone in the European Union and 14 times more energy than someone in the developing world.
- * China has about 20% of the world's population and consumes about 13% of the world's paper and paperboard. India, with about 16% of the world's population, uses about 2% of the world's paper. But the USA, with about 4% of the world's population, uses about 34% of the paper. (Source: State of the World 1998 by The Worldwatch Institute.)
- * An additional \$6 billion a year would be needed to achieve universal basic education, about \$2 billion less than what is currently spent in the USA alone on cosmetics.
- * An additional \$13 billion a year would be needed to ensure basic health and nutrition for all. This is a fraction of what is spent in Europe on cigarettes (\$50 billion) or on alcoholic drinks (\$ 105 billion).
- * An additional \$9 billion a year would be required to provide clean water and sanitation worldwide. That is about half the money currently spent on pet food in Europe and the USA.

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- * In 1997, the world spent \$435 billion on advertising, mostly in Europe, North America and Japan. That is nearly 8 times the amount that was channelled to the developing world in the form of official development assistance.

Ecological Degradation

- * More than 15 million hectares of forest disappear every year. Almost one-quarter of this loss occurs in Brazil, followed by India (1.5 million hectares), Indonesia and Colombia.
- * A quarter of the earth's land area, 3.6 billion hectares, is affected by desertification.
- * A city dweller in the USA generates twice the amount of trash as an urban resident of Germany, Italy, Spain or Sweden.
- * Between 1860 and 1990, the average temperature of the earth's surface has increased by about 10 degrees Celsius, resulting in the 'greenhouse effect' which is playing havoc with the weather and slowly melting the polar ice-caps.
- * The USA, with about 5% of the world's population, emits nearly 24% of the world's greenhouse gases, 10 times the amount of hazardous waste as the next largest producer.

And, yet, the USA is supposed to represent the very pinnacle of 'development' in the 20th century and is setting the pace for the dawning 21st century. The anomaly of the most wasteful and polluting nation being considered the most 'developed' has evoked a sharp response from scholars, philosophers, social activists and technologists, all over the world. Many of them are reflecting on these questions and seeking solutions to the problems created by such development

'Development': The Dominant Model

For over half a century now, the wealthy, industrialised nations, which are considered 'developed', have been regarded as the role model for the poor and 'developing' nations. This concept of development rests on certain basic assumptions and postulates:

- * Maximization of production and consumption of goods and services.
- * Global open markets are essential for assuring rapid increase in production.

- * No country through its government should impose any restrictions on the market.
- * Questions such as what goods and services should be produced, where, to what extent, for whom, at what price, and through what currency transactions, should be left completely to the open market place.
- * This is expected to ensure competition among producers which, in turn, would assure optimum utilization of resources and benefit the buyers by giving them better goods and services.
- * Basic needs like education, health, etc., are considered important but it is taken as given that these social sectors are also best served through the open market.
- * When it is assumed that competition in the open market alone is the main driving force of development, it follows that to ensure success production costs must be reduced. This places an emphasis on reducing human labour and relying more and more on the latest technology and machines for production. Naturally, this method is capital intensive.
- * Technical advances are used for not only substituting physical labour, but even mental labour.

It follows that under this system only those nations, which have a virtually inexhaustible supply of capital with which they can control the available technology, are able to prosper.

Small crafts people, whose mainstay for production is their own labour and skill, do not have a chance against this competition. Heavy capital investment, centralization of production and ousting of small crafts persons are all inherent in this system.

Increasing centralization of economic and industrial power, in turn, abets seizure of political power and also widens the gulf between the rich and the poor. The price of labour or wages, is very low in developing countries as compared to those in the industrialised world. If production costs are measured in a more social and ecologically responsible manner then the capital-intensive system of production does not appear profitable when compared with the traditional system. However, this reality is concealed by the technical approach of industrialised countries.

Since production is concentrated in the hands of a few, rich capitalists and there is no increase in the availability of jobs, the result is rising

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unemployment. This phenomenon has been evident even in developed countries during the past two decades. In these countries there has been continuous growth in the gross national output, but simultaneously unemployment has increased. Growing unemployment has created intense social tensions. Labour organizations, which once were very strong, have of late become weak and ineffective. The real income of industrial labour has steadily declined.

Corruption, crime, violence, smuggling, drug abuse and a steady spread of racism are some of the fruits of development in the so-called developed world. In countries like Japan and South Korea, which were held up as miracles in the field of industrialization, numerous politicians at the highest level have been implicated in corruption and crime. On the other hand, banks and multinationals of the industrialized countries, with their immense economic and technological strength, are establishing their hegemony over the global economy. By exploiting weaker economies, they are plundering the world resources. In this cruel competition to establish hegemony, nations and blocks of nations have gained enormous power.

The political consequences of economic inequalities among various countries are coming to the fore. True, nobody in this age entertains the idea of establishing an empire with the help of armed might. But the so-called developed countries are using their financial and industrial might to exploit developing countries and establish control over their politics. International agencies like the World Bank, International Monetary Fund, World Trade Organization and even the United Nations are used by the rich countries to put pressure on the poorer nations to submit to policies which serve the interests of the rich nations. Neocolonialism is a reality today.

Environmental Consequences

There has been indiscriminate plunder and destruction of the world's natural resources — water, forests, land, minerals, animal and plant life — for short-term gain. This has caused irreversible damage to the environment. We suffer these extremely destructive consequences in our everyday lives even while international conferences are held to keep debating how this destruction and plunder can be stopped. But as long as maximizing profits in the open world market remains the *mantra*, the richer societies and nations cannot be prevented from running away with the loot.

What is happening around the world is reflected within our own country as well as other developing countries. The current development process has clearly divided our society into two distinct segments. There is a small elite which has been co-opted and has already established a relationship with the affluent classes of other countries. And then there is the large majority of the masses which is exploited by the system.

This reality is not confined to trade and industries alone. It now encompasses all aspects of life such as language, dress, life-style, education, health, food and drinking, entertainment, etc. The young men and women of the elite class dream of leaving their own country and migrating to the richer ones. In fact, this small segment is indeed globalized. If there ever was any bond between this segment and the poor, illiterate, toiling masses of the country, it has been completely severed. The standards of facilities for health, education and entertainment between these two classes are poles apart.

This difference itself further reinforces the ability of the rich to exploit the poor. It perpetuates the vicious circle. Growing economic inequality, increasing consumerism of a small segment, costly yet indecent advertising on the mass media and dire unemployment among the youth are the profane consequences of the official recognition being accorded to private profit-making. Widespread corruption in the bureaucracy and political circles, the emergence of organised crime, atrocities on women have increased insecurity of the common citizen.

Owing to competition in the market and greed for profit, the industrialists and traders, both indigenous and foreign, loot and pollute natural resources. These are the same natural resources on which the common people of the country subsist, i.e. forests in which adivasi communities have lived for centuries and raw materials such as bamboo, hides, skins, wood, required for the work of craftsmen. All these are fast being depleted.

The depletion of India's rich bio-diversity — the myriad species flora, fauna, marine life, insects — is going on unchecked. This has meant that plantations of eucalyptus trees have come to stand in place of natural forests and fertile agricultural lands have been turned into ponds for prawn cultivation. At the time of Independence, innumerable varieties of rice, wheat, diverse grains and fruits were widely cultivated in our country. This variety has been severely

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restricted and it is feared that in future all of these will be replaced by a few species developed and controlled by a handful of multinational companies.

Quite apart from this material havoc, these processes have also had an adverse effect on the life and psyche of the people. In most cases they are not even given general information regarding the development projects in their own backyards. It is unthinkable that their consent will be taken before snatching away their resources and/or displacing them from their natural habitat.

In the present system of production based on modern technology, extreme misuse of the natural resources is taking place on account of competition for production. This unhindered misuse of the environment for short-term gain without regard for the future has led to the plunder of resources, so vital for future generations. The over-exploitation of water, forests, seas, energy and minerals is causing pollution of the atmosphere, destruction of wild life, salinisation, waterlogging of agricultural land, destruction of fish and other gigantic losses.

Basic Values and Objectives of Appropriate Development

The most basic tenet of any alternative model of development must be the well-being of man in all its facets and dimensions. This includes the fulfillment of every person's physical, social, economic and spiritual needs and the dignity of his or her person. The development and fulfillment of every human being's personality should have a central place in the scheme of a genuine development model. For this kind of development, truth, peace, compassion, non-violence, equality, liberty, justice, dignity of labour, harmony with nature, and self-reliance of the entire plant and animal life will have to be accepted as basic values.

It may not be possible to actually implement all the values in all their fullness. Owing to circumstances beyond our control, we are at times constrained to stray from the path indicated by these values. But such situations have to be treated as exceptions and we should not regard, on this account, the basic values themselves as irrelevant or inapplicable. It should be our resolve and effort to internalize these values and to follow them as faithfully and fully as possible, in both our personal conduct and our social dealings.

Everyone accepts that regulation of the mundane chores of society is the duty of the government. These functions of governance should be conducted through democratic methods. These democratic procedures must aim to ensure that legislators and government functionaries are ultimately responsible to the people. While deciding on matters affecting the interests of the people, the maximum number of affected people should get an opportunity to express their views and ideas. In order to ensure this the decision-making process must be open and transparent.

The responsibility for ensuring this transparency lies not only with government but with different sections of people. Relations among nations too should be conducted on these principles. Nobody has a right to hide information or take one-sided decisions citing 'national interest' or, for that matter, the welfare of the entire human race.

Eradication of Poverty

The development of individuals as human beings is not possible as long as they are so poor that their basic material needs are not met, i.e., food, clothing, shelter, health care and education. The complete eradication of such poverty must be a major goal of genuine development. This will be possible only if goods and services are produced in sufficient quantity, and at affordable prices, to meet the primary requirements of all people in society. The equitable distribution of the basic goods must be in-built to the pattern of resource use and modes of production.

However, the purpose of development is not limited to these basic needs. Its aim should be a progressive rise in the standard of living of the entire population so that they are physically, mentally and culturally enriched.

Peace, Compassion, Non-violence

The basic principle of appropriate development should be peace and compassion towards all and promotion of the spirit of non-violence. It is only in such a society that there can be any hope for all human-beings to have a fair chance of developing their personality and attaining happiness and satisfaction.

In contrast to this goal, contemporary society is vitiated by inherent conflicts which lead to sporadic and organized violence. To some extent violence is inherent to the prevailing development model. Thus, people are chased away

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from their homes, depriving them of not only physical resources and livelihood but also destroying the cultural riches of centuries-old bonds with habitats. There is a complex overlap of class, caste and gender violence. And then there is the over-arching threat of violence triggered by communal tensions.

It would be ideal for the oppressed to resist such violence through organized mass non-violence. But it is not always possible for victims to do so. In some instances, counter-violence becomes unavoidable. If victims of violence take up counter-violence in self-defence, this may not be treated as abandonment of the ideal of non-violence. If there is no option, counter-violence may be justifiable though only to the extent it is essential.

Equality and Justice

Reducing and eliminating the present social and economic inequities should also be an objective of appropriate development. Absolute equal distribution of wealth may not be feasible in the society. Though, at present, there is so much inequality in the society that physical wealth accumulated by certain persons would have to be taken away from them, if beyond a certain optimum limit. The primary objective, however, is to ensure that everyone has an equal right to dignity and a share in power.

Women's Rights

This cannot be possible as long as half the citizens continue to be subordinate. Education of middle class women has received considerable attention in this century and working class women are engaged in occupations outside their houses. But women have never been accorded as much importance as men in the production system and this has added a new dimension to the oppression of women.

Due to growing commercialization, women are neglected in the family in many matters like education, food and status. Incidents of women's harassment, including dowry-deaths, are also on the increase. The female body has been made an object of excessive exhibition for commercial purposes in the capitalist market system.

Wherever there is an increase in use of technology, be it in the sphere of industries or agriculture, there are fewer and fewer opportunities of employment for women. No doubt, young women of a particular class are

getting increasing opportunities in some fields of employment such as electronics and computers. But the fact remains that women of the working class are being displaced from employment on a large scale.

According to the 1991 census, 27.8 crore people were engaged in different types of productive activity, of which only 6.3 crore were women. Out of this number, 2.15 crore were engaged in cultivation and 2.8 crore were landless labourers. This meant only 1.3 crore were engaged in other vocations (Source: Statistical Outline of India, 1994-95, Tata Services Ltd., No. 42).

As long as unjust provisions of the personal laws of all religions are not removed, and women are not given equal opportunities in the political and economic spheres, no social transformation is possible. Thus, reservation of 33% of the seats for women in the whole political process is a good idea. Simultaneously, there is need for restructuring and expanding the production system to give women their due place in the production system and to increase their share in economic transactions. In this field too, some sectors need to be reserved for women.

The gender dimension of appropriate development should not be confined to the production system alone. It encompasses the various issues raised by the women's movements which have been progressively expanding. Some examples are, the movement against liquor industry initiated by women in Andhra Pradesh, Maharashtra and Rajasthan.

Liberty

Maximum liberty should be an important objective of true development. This means that every person has the freedom of religion, opinion, expression, organization and promotion of one's own interest through peaceful means. And, most importantly, a person's liberty does not allow him or her to encroach upon the freedom of others or to cause direct and grave injury to the society as a whole.

Harmony with Nature

Developing intimacy with nature and promoting the idea that all life in the world has as much a right to survive as human beings do, should also be included in our goals. Goaded by the greed for appropriating all sorts of objects for

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consumption, man has abused water, forests, land, creatures, minerals and other valuable natural resources. This indiscriminate plunder has threatened the very survival of life on our planet.

Self-reliance

Dependence on foreign funding institutions upsets self-reliance and slackens people's initiative and personal enterprise. There is a danger of becoming dependent on external forces, be they governments, financial institutions, multinationals or trading companies. We should increase production of goods and services by proper utilization of resources available within the country through self-reliant methods. We should learn to do without goods and services for which we have to depend on others. We must, of course, make an exception in the case of some selected items of overriding necessity.

Even if dependence on other countries is unavoidable temporarily for a few things, our goal should be to rid us of such dependence as early as possible. However, international trade on equal terms with other countries for mutual benefit should not be considered taboo.

We should become fully self-reliant in respect of day-to-day needs of food, clothing, education, health, and essential services like communication, energy etc. We are fortunate that almost all resources required for fulfilling these needs are at hand within our own country.

Dignity of Labour

Both types of labour, physical and mental, are essential for the proper growth of an individual. Similarly, every person's labour is essential for production of goods and to fulfill all society's needs. All physically fit persons, who are not engaged in socially useful work, should be treated as a burden on the society. Today, not only do such parasites exist in the society, they possess immense wealth, power and recognition.

It is society's responsibility to create employment opportunities for every person and to ensure that remuneration is paid according to the true utility of labour to society. It would not be just and proper to determine wages on the traditional ideas about classification of certain work as superior or inferior.

The Question of Technology

Technology is not only the inventions made during the last 200 years since the industrial revolution or those being made mainly in the West in the last three or four decades. It is not right to discuss technology in this limited context.

Since time immemorial, not only humans but also animals, birds, even insects have developed their own survival systems in respect of food, sustenance, defense mechanisms etc. Even in the Stone Age, man was using some type of technology. This truth is clearly brought out by the history of the evolution of human society.

During the early phase of evolution, technology was used to make human life secure, for ameliorating human drudgery and saving labour. As life progressed in this direction, techniques were developed for gaining comforts and for securing control over nature. Technology was also utilized for arming oneself against the enemy.

As technology marched on, man used technology to dominate and exploit other groups of people and conquer their territory. The intellect, wealth and other resources of nations began to be spent on military research. Even today, the bulk of scientific and technological research feeds into the creation of military devices. This research is carried on with a tacit objective of aggression, suppression and destruction. We have witnessed how domination of weaker human populations has been achieved on the strength of military technology.

In the civil sector, the goal of technological development was directed at fulfillment of people's needs. Technology increased production of goods and services, reducing costs and making possible huge profits through the sale of surplus production in domestic and foreign markets. When machines replace human labour, the cost and time needed for production is reduced. Having realized this, the systems were mainly directed towards getting the work done through machines wherever possible. Thus, it became essential to compete with other producers for selling inexpensive products whose output had increased rapidly. Thus, mechanization and reduction of human labour became essential to survive against competition. There has also been a growing trend towards production of unnecessary goods. Flashy and even detrimental luxury items, whose sales are bolstered through attractive and misleading advertisement, are flooding the market.

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The aim of technological research sponsored by big multinational companies today is to establish domination over international markets and to increase profits by creating greater demand for their products, whether good or bad. Naturally, only such countries and companies which are economically powerful can afford such research. Nations and classes, which have control over technology, utilize it for their gains. Modern technology inevitably makes the strong stronger and the weak weaker. It is responsible for promotion of blind consumerism. Thus, technology is neither value-neutral nor situation-neutral.

Prime importance has been given to computer and information technology in the present age. But it has its own limits. It cannot, for example, produce any goods on its own. Actual production still needs raw materials, instruments, machines, tools, power and labour.

Undoubtedly, the operation and control of the means of production may be better managed through information technology. But computer-controlled machines and tools are more expensive than traditional ones. Thus, the per unit costs of production using modern techniques are comparatively higher. Particularly in a society where capital is scarce, prices of machines are relatively expensive and labour is cheap and abundant. Thus, it is certainly not true that capital-intensive machines and instruments are always equally cost effective.

Who are the beneficiaries of the global information network that has been made possible by the Internet? Information obtained through it is mainly of use to big industrialists, traders, speculators in capital markets, ruling classes, and the armed forces of the industrialized and developed countries. The poor and working people of both the worlds, particularly of the developing countries, derive no real benefit out of this network. Rather, the system is used to exploit and dominate the poor even more.

The nature and consequences of modern technology are such that they cannot be the basis of the alternative developmental concept. This is not to say that alternative development eschews technology altogether. Technology which is in consonance with and supportive of the values and goals of appropriate development, may very well form its basis. Some of the main features of such benign technology are indicated below.

Aims of Appropriate Technology

The aim of technology must not make human labour redundant. Rather, it should aim at ensuring that labour is not harmful to the health of man, does not alienate him and is more productive. For this purpose, research, education and training should be arranged to bring about improvements in the instruments, tools and systems of production. In fact, optimal physical labour should be compulsory for everyone.

The plunder and destruction of the world's natural resources should stop. They should, on the contrary, be actually nurtured. Common people should not be deprived of the resources on which their livelihood depends.

Systems that pollute the environment should be discarded. Nuclear energy should be regarded as an absolute calamity. Only technology that meets or helps to meet the real needs of people should be adopted, developed and even imported, if no indigenous alternative exists. A technology that makes us self-reliant as a nation is welcome. If it makes us dependent on others, it is unacceptable.

Technology that promotes the luxury of the rich by producing and marketing unnecessary goods should be abandoned. Technology that reduces economic, social and cultural inequality is satisfactory. Society should have control over technology in order that it is used in the real interest of people at large, not just for personal gain of a small segment. At all levels and in all fields, local people should have control over the choice and use of technology. Life-saving medicines and other systems that help patients suffering from serious illnesses are appropriate. However, these should be available not just to the rich, but to all. They should be under social control.

The systems and methods of production should ensure that capital is conserved, production on small scale is profitable and people get opportunities to earn through productive work. Modern technology has constricted opportunities for productive work, earning, self-reliance and self-development of people, particularly women. Technology that allows increased productivity for women and promotes their independence and growth should be accepted.

Agriculture

Agriculture continues to be the largest and most important sector of India's economy. Two-thirds of Indians depend on agriculture for their livelihood. The land and climate of India are conducive to an increase in agricultural production. The vast majority of our population is poor and it is imperative to increase agricultural production to meet their needs. Growth of agriculture is of primary importance in the alternative concept of development.

There are a number of serious problems hampering the growth of agriculture. At the same time, the standard of living of most people depending on agriculture is very low. Some of the problems can be listed as follows:

1. There is an extremely unequal distribution of land. About 1.2% of all agriculturists own as much as 44.6% of the total farmland. At the other end of the spectrum, 59% of the farmers own only 14.9% of the farmland. Of all the people depending on agriculture, 7.5 crore people are landless labourers. Their number and proportion keep growing. The land holdings of most peasants are so small that they are unable to invest the necessary amounts for increasing their production.
2. A very large part of agricultural land is dependent on rains. Hence, agricultural production suffers heavy damage every year from either too little or too much rain. Some parts of the country never get enough rain and are perennially famine-stricken.
3. The prices of agricultural produce are low in the market as compared to industrial products. As most people in our country are poor, there is a perpetual depression in the market for agricultural products. Production in the agricultural sector depends on the vagaries of nature to a very large extent. Also, production is seasonal and does not occur evenly through the year. Most farmers are constrained to bring their produce to the market immediately after harvesting. Since they are too poor, it is beyond their ability to withhold their product from the market if the price is not right. They do not have any bargaining capacity to get favourable prices for their products. The low wage paid to the agricultural labourer is one of the reasons for this situation.

4. Since the prevailing development policy mainly underscores organized modern industry, the government pays scant attention to capital investment in agriculture.
5. The "green revolution" type of farming system makes heavy use of chemical fertilisers, pesticides and water. This results in higher production expenditure per unit. Concurrently, the natural fertility of the land keeps diminishing. Soil texture gets damaged, salinity increases and large land areas get waterlogged. Due to increased costs, agriculture becomes unprofitable for small farmers. Consequently, they lease out their lands to big farmers. Thus, the green revolution has aggravated inequality within the agricultural sector.
6. Today, ground water is being used excessively without adequate replenishment. As a result, the level of underground water is constantly falling and the quantity of water available from the ground sources is diminishing.
7. Too much emphasis has been laid on medium and large dams. The capital costs of such projects always exceed estimates by wide margins. Yet, they do not yield proportionate benefits. There is no proper maintenance of these dams. Efforts are not being made for permanent provision of water to meet the needs of the rain-fed areas.
8. In the present system of marketing of agricultural products, the small and medium farmers get cheated and exploited by the middlemen.
9. Even in the green revolution areas, farmers have to depend on the government for loans, fertilizers, pesticides and water. As a result, the bureaucracy dominates over the farmers, who have become dependent.
10. Government provides subsidy and encouragement for cash crops like sugarcane. But such crops use too much water, with the result that farmers who grow other crops do not get enough water. This problem has been aggravated since the government is promoting the production of fruits, vegetables, milk, etc., for export.
11. The number of persons depending exclusively on land for their livelihood is quite large. All of them do not get sufficient productive work in agriculture. The average productivity of labour and also the agricultural wage is very low. The increase in the number of modern organized

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industries has not led to any appreciable increase in employment opportunities. Thus, it is obvious from experience till now that industrialization will not assuage the heavy burden of population on agriculture. By making more investment in agriculture and providing encouragement to intensive farming, it is possible to increase the productivity of land and of the labour dependent thereon to a considerable degree. But this is very difficult in the present extremely unequal system of land tenure.

12. Forests constitute a part of the agricultural sector. Government control over forests and of their management by the forest departments of the various state governments has led to many harmful consequences. Reckless cutting of forests through legal or illegal means, harassment of *adivasis* who depend entirely on forests, rampant corruption and oppression in the bureaucracy, and the plunder and destruction of forest wealth occur almost everywhere. Greater governmental control and more powers to the forest departments cannot be a solution to these ills. Yet, the government does not seem to look for an alternate policy.
13. There are a large number of fishermen in our country, most of whom fish on a small scale and subsist on earnings from their catch. Their equipment like boats, nets etc. is useful for only fishing along seacoast or in the river. In recent years, many indigenous and foreign companies have entered the ocean with big modern boats for deep sea fishing. As a result, the catch of traditional fishermen has diminished. Moreover, fish are being killed due to pollution of water owing to the release of industrial waste and effluents into the sea.
14. Since exports have been granted major importance, prawns have become a premium commodity. Projects for prawn cultivation in ponds and lakes are coming up in big numbers. Fishermen who have worked in these reservoirs of water are being chased away. Simultaneously, at some places, fertile lands are being dug up for creating prawn-ponds. Since these ponds are being filled up with saline water, the adjacent farmlands are destroyed.

The production of food grains and textiles in the country is, by and large, sufficient to meet the needs of the people. Yet, crores of our countrymen have to go without food or clothing. The primary goal of agricultural policy in the

alternative development concept will be to provide wholesome food grains to the hungry and proper clothing to the ill-clad in optimum quantity. Increasing agricultural and textile production alone will not achieve this. Who produces, what is being produced and how is it produced are important points.

In order to achieve the primary goal as stated above, our agricultural policy will have some basic tenets as follows.

1. Extreme inequality in land holdings should be removed. For this, the laws of land ceiling should be made more equitable and they must be implemented strictly.
2. Women shoulder a major burden of agricultural operations, but are usually denied land ownership. This situation should change. Women should have right to land ownership on equal terms with men.
3. The principle that water is a common community resource should be accepted. Accordingly, planning and distribution of water resources and rights over it should be tackled keeping every group's need in mind, particularly those who live on agriculture.
4. Big dams and mega irrigation projects are comparatively less beneficial to agriculture. On the contrary, they harm the lives of local people and destroy the environment. More attention should be paid to medium and small irrigation projects, regional development systems based on surface water and on increasing production on unirrigated lands.
5. Excessive exploitation of water resulting in scarcity of water should be stopped. On the one hand, practices leading to waterlogging and salinisation of agricultural land should also be halted. Only big landholders benefit through pump irrigation facilitated by subsidized or free electricity. At the same time, it leads to excessive and often harmful use of water. Electricity rates should be fixed so as to prevent excessive use and suitable restrictions ought to be put on use of pumps.
6. Agriculture should be planned at the village level in a way so that every family in every village ultimately becomes self-sufficient. Encouragement should be given to experiments currently being carried on in several parts of the country to obtain abundant yield from small pieces of land through judicious use of water, sunlight and biomass grown in the farm itself, replacing the use of chemical fertilisers.

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7. Such farming methods as do not harm the natural texture and fertility of the land should be encouraged and emphasized.
8. Diverting land for the production of fruits, vegetables, prawns, etc. in place of food grains should be stopped.
9. Government should guarantee lucrative prices for agricultural products.
10. Only the surplus agricultural output after meeting the needs for food and clothing for all people in the country should be exported. To ensure this, some restrictions on free trade may be imposed.
11. There should be effective implementation of the public distribution system throughout the country so that food grains are available to all who need them.
12. Traditional farming techniques and implements should be gradually improved, but large-scale mechanization of agricultural operations or techniques, which deprive farm labourers of their occupation, should not be encouraged.
13. Animal husbandry and dairies should be encouraged. They provide employment to villagers and their products are useful to people.
14. To relieve the burden of people dependent on agriculture, special importance should be given to village industries and generation of productive employment opportunities. For such work, raw materials should be made available to the rural populace on a priority basis. Factories engaged in machine production should be prevented from preempting these raw materials. Special emphasis should be placed on the creation of jobs unrelated to agriculture and which afford employment to women.
15. The assault by industrialists and rich individuals on forests, hills, village common lands, seashores, rivers, ponds etc., and the consequent displacement of agriculturists by them should be halted.

Production in the agricultural sector is usually small scale. Farmers should get easy loans, water and other farm inputs. Their products should be sold at reasonable prices. For this, cooperative industries should be utilized more so that services and resources are available to small farmers at a reasonable cost. But this does not mean that agricultural products should be sold in distant

markets, either in the country or abroad, and that the inputs for agriculture are imported from far away places. Agricultural products should be primarily meant for sale in neighboring markets. Governments now encourage the export of these products to distant markets. The result is that local people, particularly the poor, find it difficult to purchase these products.

Industry

Industries basically produce goods and services required by people in society. They also provide employment to a large section of society. In fact, these two aspects of industries depend on one another. If there were no production of goods and services, the needs of the society would not be met. Conversely, if people do not find jobs in industries and derive an income, the goods and services produced would have no buyers in the market and as such they would become unsustainable. It is sometimes said that our industries can subsist by selling their products in foreign markets and thus we could achieve development. This view has gained some acceptance. But can such export-oriented development be possible in a heavily populated country like India?

While discussing the pattern of alternative industrial development, we will have to address certain questions. Industry for whom and with what objective? What methods and techniques are to be used? Who should own the industries? How do we obtain resources, capital, raw materials, energy and transportation facilities for growth of the industries?

Our society is heterogeneous and highly stratified. In an economy based on a free market, industries operate and grow to meet the demands of persons who have enough money to purchase the goods and services. This is not consistent with the basic objectives of genuine development. In the alternative system, industries should serve the masses of common and poor people. Meeting the needs of common people should indeed be the main function of industries, not satisfying the demands for luxury and comfort by a handful of the rich.

In India, labour force is available in abundance and there is a simultaneous scarcity of capital. Hence, our production techniques should be such as to provide employment to more without incurring heavy capital expenditure. As noted above, without adequate work and wages there would be no demand for the goods and services produced by these industries. Methods that meet the

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real needs of people, provide employment to a maximum number of people and conserve the monetary capital should be used. The structure of other elements of the industrial policy should be planned with this in mind.

Today, the two objectives of meeting the needs of the people and providing employment to them have been separated. For production of goods and services, heavy reliance is placed on use of modern centralized systems and advanced technologies. There is not enough employment generated in this system. To generate employment, reliance is placed on such ill-defined schemes as Jawahar Rozgar Yojana. No doubt, many thousands of crores are spent every year on these schemes, but this amount is negligible compared to the investment made each year in organized industries. At the same time, no definite information is ever available as to what and how much is actually produced out of the money spent on the schemes and how much employment is generated. In production planning, employment is not taken into account. When employment is considered, there is little regard for what and how much socially pertinent production results therefrom. Production and employment should be treated as two sides of the same coin. When they are separated, as at present, there is neither production for fulfilling the needs of people nor do people get adequate employment. An alternative industrial policy should emerge from a scrutiny of this experience.

The production of indispensable goods and services for communication, transport, health, education, arts, sports and entertainment, etc., should also be scrutinized in the context of the real needs of the common people. For example, thousands of crores of rupees are spent every year on civil aviation such as airplanes, runways, airports, fuel, panel instruments, etc. But it is doubtful if one out of ten thousand Indians would ever travel by air in a lifetime. On the other hand, railways are directly or indirectly connected with the lives of almost all Indians. But on the plea of lack of resources, even the expenses for the safety of rail travel are refused.

Likewise, a letter sent by post, often reaches the addressee after 10 or 12 days if it reaches at all, because the government 'cannot afford an increase in the number of postal employees'. But projects spending thousands of crores of rupees on telecommunications based on modern electronics and for establishing telephone links in each and every village are pushed ahead on priority, even though drinking water is not available in these same villages. Hence the question: who are the real beneficiaries of these projects? Clearly,

this approach to development has no place in the framework of alternative development. These are simply not priority projects for the common people. While implementing the central doctrine mentioned above, some of the overriding needs of our society and the nation need to be taken cognizance of. Export is considered an important national need. No doubt, certain items need to be imported from abroad. These have to be paid for in foreign currency. Naturally, foreign currency has to be earned by selling our products in foreign markets. Yet, there is no justification for treating export as the most important aspect of our economy, relegating other objectives to a secondary position.

Our traditional industries are capable of earning through exports as much foreign currency as is truly needed. Such industries as chemicals, engineering, electronics, etc., which are regarded as modern, do not earn as much through exports as they spend on imports. The total value of exports of all organized industries taken together is less than the value of imports necessary for them. As a matter of fact, there is no need for so much import in order to meet the needs of common people. Most of the production of modern industries dependent on heavy imports is primarily satisfying the consumerism of the affluent classes. The importance that these industries have assumed today is disproportionate with actual needs. The growth of such industries is one of the factors responsible for excessive imports. By reducing their importance, it will be possible to limit imports. As a result, the excessive importance placed on exports will be lessened.

Military equipment and supplies need imports on a big scale for defense of the country. Information regarding these imports is generally kept secret on the plea of national interest. It is true that in the present situation, we cannot afford to neglect national security. But what exactly does 'adequate' preparation for security mean? With each country striving to be 'adequately protected', an arms race becomes inevitable. The level of 'adequacy' constantly goes up without any change in the balance of power and the scale of import of military equipment keeps increasing. Therefore, healthy efforts will have to be made on the two fronts of restricting arms race through political initiatives and achieving self-sufficiency by increasing indigenous production of military equipment.

Technology has special importance in the context of industrial policy. The inputs for production, machines, accessories and so on that are based on the latest technology are very expensive compared to traditional inputs. Use of

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high-tech inputs, therefore, leads to increase in the capital cost of production. It is true that there is big saving in labour and other costs involving labour. But that does not fully compensate for increased capital costs. As a result, per unit cost of production often goes up instead of decreasing with the use of modern technology.

New technology is generally developed for saving labour. Even the advocates of new technology accept that its use would lead to decrease in employment. But their argument is that the use of new technology would accelerate the pace of development, bring about an increase in total production, and hence more jobs will become available in some time. According to this 'trickle down' theory, shrinkage in job opportunities is a temporary phenomenon.

However, present day experience does not support this argument. Changes are taking place very fast in the field of technology. But it has not been met with a corresponding increase in total production in any country. In the last twenty years, 'growth' is mainly taking place in the number of jobless people. Growing unemployment caused by the use of new technology is a matter of concern even for the highly industrialized countries for whom all the world markets are open and whose populations are nearly steady. For poor developing countries like ours, indiscriminate use of modern technology may prove even more harmful.

This is not to say that technology should be totally rejected. Its complete abandonment is not even possible. But taking into account our social structure, the underlying economic inequality, real needs of the common and poor people, and our objectives in respect of the economy and production, we should decide which technology is appropriate and profitable for a particular sector. We have the right and capability to choose appropriate technology among the various choices available.

Energy is required for running various means of production. The production of energy is in itself an industry. There is a common belief that the need for energy would constantly have to increase for economic development. Often, with a rather warped logic, per capita use of energy is considered an index of development of a society. In the existing model of development, this may be true. The current method of energy production and its use breeds extremely wasteful and extravagant misuse of a national resource and creates environmental pollution.

Energy will no longer remain as serious a problem as it is today because the alternative model is not energy-intensive. Experts readily recognize that if available energy is used frugally and judiciously, there can be large-scale savings in energy consumption.

A great amount of energy is consumed in the form of coal and mineral oil for transport. These fuels are also used for generation of electricity. Today, industrialized countries have adopted the culture of vehicles for personal use and various electric gadgets for day-to-day mundane chores. Production and use of motor cars, two-wheelers, three-wheelers, etc., has been increasing with exceptional rapidity. The vehicles make excessive use of fuel per passenger-kilometer. Besides, they are responsible for environmental pollution. Therefore, importance should be given to efficient public transport systems in place of personal vehicles. In a decentralized system of production, transport would have less importance than today.

In rural areas, animals form a traditional source of energy. In today's economy, this resource is fast disappearing. Besides, animals are useful for other purposes too. In the alternative production system, efforts should be made to promote use of animals in agricultural operations, transport and for increasing the amount of energy realized from them.

Sun, wind and water are inexhaustible sources of energy and they cause no pollution. Man has been using them since ancient times. Techniques for their better use are available today even as more are being developed every day. Efforts need to be made in an appropriate manner for generating electricity on a large scale from these renewable and non-polluting sources.

It is clear that the proposed framework of the alternate concept of industries is totally opposed to the prevailing system. Naturally, big obstacles would come in the way of its implementation. The entire direction in which the world has progressed in the last two centuries and more would have to be reversed. We have become so habituated to it, and it has so much become a part of our lives that even those who are convinced of a need of reversal find it hard to internalize the objective and change their life-styles accordingly. The main beneficiaries of the established system of development and production would naturally oppose this radical change tooth and nail. These classes have adopted globalization as the central tenet of their policy. As such, there will be heavy global pressure against any change in the pattern of development. Many elitist scholars would treat our thesis as outright insane.

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How then will this change come about under the present circumstances? This would be possible only if the government accepts the point of view espoused here and undertakes the direct responsibility of ushering the change in. The government will have to play a central and decisive role. By taking up the challenge in a major way as far as the production in public sector is concerned and by imposing effective controls over the private sector.

This means an immediate end to the present day policy of privatisation and so-called liberalization. Depending entirely on the open market will not serve the interests of the masses of this country. The government will also need to firmly neutralize the opposition of those sections with a vested interest in the established system. Firm support to the alternate concepts will have to come through efforts to create public opinion in its favour.

Critics of this view argue that whenever the government plays a decisive role in industrial development, harmful tendencies such as bureaucratic delays, red tape, corruption, etc., become rampant. Previous experience supports this criticism. But these unhealthy trends have not diminished after the so-called liberalization and loosening of controls. If there is a clear understanding of the danger involved and the state takes effective measures to curb them, such ills can be restrained.

Placing all big and medium size industries in the public sector and controlling them through a central and decisive state role does not mean that the industries be owned or managed by the state. Today, the accepted norm is that whosoever invests capital in an industry, whether a government or a private individual, should control and manage it. This is basically a capitalistic idea. But even the Soviet Union and other socialist countries had accepted this principle for management of nationalized industries. In a capitalist state, no other view can even be imagined. The truth is, all capital belongs to society, particularly capital invested in public enterprises. Workers, experts, managers, etc. working in the industry not only invest their labour, skill, and expertise, but their own future and that of their families. There is no reason to regard this investment as any less important than the monetary one. Therefore, equal right of all in the management should be recognized.

Likewise, the customer base, or society as a whole, has a close relationship with the industry itself. Society should have a role in the management of industry. This objective remains inert if the government manages on behalf of

the society. Therefore, making institutional arrangements for management of public sector industries will be a major challenge before the alternative developmental concept. The alternative system of development will have to be evolved in a way that public sector enterprises in fact become people's sector enterprises.

One way of achieving this is to create a cooperative organization of all employees who in turn manage the industrial establishment. The cooperatives, engaged in production of raw materials for a particular industry, such as oil seeds, cotton, sugarcane etc. will also be in charge of managing the industry. Some industries already have this type of management in our country as well as some others. By making determined efforts and providing encouragement to them, the number of cooperatively-managed industries can increase considerably. Some persons who can represent the society should be sought out for involving them in managing big industries in the interest of the society as a whole.

A 'public enterprise authority' consisting of representatives of society, the working class, technologists, financial and marketing experts etc. may be useful for planning and regulating all public enterprises and for providing national coordination. This authority should be in direct contact with the planning commission and the ministries concerned with the industry. Through consultations among them, broad policy matters and plans should be chalked out and objectives and targets should be shaped. But no ministry or any other state body should be able to interfere with the day-to-day management of any of the industries.

The work of the authority should be essentially limited to broad determination of goals and operations of the industries within its jurisdiction and as a watchdog organization. It must appoint top supervisors for each of the undertakings. These supervisors as well as the entire management will have maximum autonomy. At the same time, local management will be held responsible for the success or failure of the undertaking. To ensure that the authority remains completely free from governmental pressure, its expense should be borne out of a small surcharge say, a tiny fraction of the turnover, on the industries within its jurisdiction.

An important question arises in connection with the implementation of such a system: how will the members of this authority be appointed or elected? Obviously, leaving it in the hands of the government is fraught with danger. It

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should be ensured that the appointment does not get involved in politics and come under the influence of vested interests. The official members of the authority will have to be appointed by the government but their number must be limited. The other representatives of experts, customers, industries, commerce, and labour should be appointed on the advice of the representative institutions in the concerned domains. A high-power committee may function under the chairmanship of the Chief Justice of India for making these selections. There may be other alternatives for the selection of the members of the authority. A practical way will emerge through open discussions on the issue.

In the 1950s, there was a big growth of public enterprises in the country. During that period, the question of how these industries may be managed was discussed in depth in Parliament and elsewhere. On some of the points, there was general consensus. It was agreed by all involved that public sector industries ought to have maximum autonomy. It also emerged in the discussions that since public sector industries have to serve objectives of various kinds, evaluation of their functioning should be done in the context of these diverse objectives and not just on profit and loss.

Unfortunately, the public enterprises were never given the required autonomy, with the result that their functioning and the responsibility of the managers remained a problem. The trend of assessing their success and failure on the basis of financial profit and loss alone has increased. Since 1991, under the new economic policy, the balance sheet has been the lone decisive yardstick.

The overriding importance of the public enterprises will be accepted in the alternative concept of industrial development. At the same time, competition among them will be allowed. Maximum autonomy will be given to the management of the industries. But the management will, at the same time, be held fully responsible in respect of its functioning. Having to fulfill too many diverse objectives will not be an admissible plea for the industry running at a loss. Clear criteria, based on their diverse objectives, will have to be laid down for evaluating the quality and the functioning of the industries.

Production to meet the needs of the common people and large-scale employment generation during the course of the production process is the central tenet of the alternative production concept. The open market system does not take adequate care of the needs of 80% of the population, i.e., the common people. In the alternate system, income of the people will need to be augmented and an effective market of 80% of the common people will have to

be created. This market will naturally be spread far and wide. Adequate profit or surplus should flow from this system so that production and market become self-sufficient and self-actuated. But production will not be geared only for profit.

The main objective of the social system should be to meet primary needs like food, clothing, housing, health and education. Besides these, the essential needs should also include items such as furniture, utensils, fuel, water, electricity, educational resources, transport facilities, culture and art in some optimal measure. All such needs within the production system are fulfilled through a chain which consists of infrastructure and heavy industries like consumer durables and daily use consumer goods. For the operation of these industries, service industries such as finance trade and transport are needed. Each link in the chain must receive proper consideration in the alternative system.

Food being a primary need, food-processing industry is important. Many of the agricultural products cannot be used in their natural form. Rice has to be processed from paddy and oil from oil-seeds. Such essential processes must be provided for. Further, food products and ready-made foods are prepared for consumption through processing. Similarly, the tradition of drying, salting, preparing pickles and similar preservable food articles, is very old in all parts of the country. Thus, items produced seasonally in large quantities may be preserved and consumed throughout the year. Such food processing industries may also be treated as essential. With a view to engaging women in productive jobs outside their homes, and to make meaningful participation in social life possible for them, processing industries like bakeries, which ease the burden of household chores, should be encouraged.

However, in recent years, there has been a trend of creating new kinds of fast foods, generating 'demand' for them through mass media advertising, expanding market for them, and making a swift profit. Giant multinational companies are at the forefront of this activity. While millions of people in the country do not get adequate food, proliferation of such fast foods amounts to a wastage. Worse, natural nutrients are lost in the process of their production. The habit of eating 'junk food', which is relished by the taste buds, but is otherwise useless and harmful, is being spread. Processed foods, like corn and rice flakes, which were once popular everywhere are being sold in

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attractive packages with new names by the multinational companies at exorbitant profits. While fresh milk is not available for all children, markets are being flooded with items such as milk powder and cheese, affordable only by the affluent. Due to these wasteful processes, the overall price of foodstuff increases and the poor have to bear its brunt. Such food processing industries should be discouraged.

The extent of food processing industry and the market for it is quite large and constant. The technology involved is fairly simple. No heavy investment is required and opportunities for substantial employment exist. Moreover, such industries provide great opportunities for women. They can be easily run in a local, decentralized manner. They can bring about considerable value addition. Production should be done using locally available raw materials and it should be primarily meant for the limited nearby market only. To ensure that production is not sold in some distant markets, appropriate taxes should be levied. Through advertisements and popular education, people should be encouraged to use the products made in the neighbourhood.

The food processing industries may be run on individual basis through self-employment or small co-operative institutions of producers and consumers. The village should be self-reliant for the production of milk, eggs, meat, fish, vegetables and fruits. Dairy and poultry should be reserved for women. Individuals and cooperatives engaged in such production and processing should receive loans from co-operative banks or credit associations. The sale of local food products may be organized through public distribution system at the village level.

Raw materials for the production of bath and washing soaps, other hygiene and body-care articles such as hair oils, toothpaste, etc., are generally available at the local level. The required technology is also quite simple. Today, these articles are being manufactured through a centralized system by big corporations, prominent among them being the multinational companies making exorbitant profits. The burden of heavy expenditure incurred by them in advertising ultimately falls on the consumer. Consequently, their prices are quite high. This amounts to a big flow of wealth from the village to the town and from the poor to the rich, which must be stopped. Therefore, these articles should be produced through decentralized system on a small scale for the local market.

Textiles

Textile production has had extraordinary importance in India. Even today, the textile industry is next only to agriculture. Its importance will be retained in the alternative development pattern. It will receive special attention, since all factors required for its development and progress are indigenous to India. Diverse objectives such as fulfillment of the needs of the people, providing employment to them and exports can be achieved through it. While planning for development of the textile industry, special note will have to be taken of the abundant availability of cotton as raw material required for its growth. Our farmers have been growing it for centuries and there is scope for further increasing cotton production.

In India's hot and humid climate, cotton clothes are most suitable. On the other hand, artificial yarns like nylon, polyester, etc., are manufactured from the by-products of petroleum, which are not produced in sufficient quantity in our country. There is no evidence to assume that these raw materials would last for an indefinite period even in other parts of the world. True, there are some special qualities in man-made fibres like durability and resistance to shrinkage. There is potential for their production as well. But spinning and weaving even from these fibres should entail decentralized labour-intensive methods as in the case of cotton.

Today, the textile industry of India has been divided in many parts. Spinning is mainly based on modern technology. Hand-spun yarns are used in the manufacture of *khadi*. But on the whole, the proportion of hand spinning is very low. Even so, the standard practice is to use mechanized methods for several initial processes, and the final yarn is spun on *ambar charkha*. Weaving from the yarns is done in different sectors such as handlooms, powerlooms and comparatively big composite weaving mills. The technology of weaving is the same both in powerlooms and in mills.

The handloom sector is important from the point of view of employment. However, the powerloom sector production is the largest at present. The process of weaving in the mills is fast coming to an end. The processes of dyeing, printing, etc., of fabrics can be performed both in the organized and decentralized sectors. The number of workers employed in these different sectors of the textile industry is quite large. Unemployment is fast increasing in

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the organized sector. The workers in the powerloom sector are brutally exploited. Taking into consideration the importance of the textile industry, the large work-force dependent on it and the great export potential it holds, it is a significant challenge to ascertain the position of this industry in the alternative production framework. The general approach of production through decentralized and labour-intensive techniques for meeting the needs of the common people should also be applicable to the textile industry. No encouragement should be given to centralized production of costly cloth through highly sophisticated technology. In fact, the technology used in the organized textile industry is appropriate to the extent that it is fairly labour-intensive. Keeping this reality in view, the sector should be rescued from its present tottering position. Organized textiles sector may meet the needs of the armed forces, the government and other public or specialized needs such as export. Most machines and accessories required by the textile industry are manufactured in our own country. There is no need to encourage production of automated capital intensive machines. The regeneration of the organized sector based on prevalent technology is possible. There is no need for further growth of the organized sector. Indeed, there is not enough work even for all the looms installed in the powerloom sector. Under these circumstances, the number of powerlooms should not be allowed to increase.

It is worthwhile to consider separately the export needs of the textile industry considering that currently it accounts for nearly 30% of the total exports of the country. Manufacturing of products in sufficient quantity which have demand in the export market and the machines and techniques required for such production will have to be adopted. But such products would be meant for export only and not for internal markets. Only surplus raw materials, left over after fulfilling the needs of the domestic market, should be used for production for export. Artificial fibres should mainly be used for export production. At the same time, if profitable, there is no harm in importing other raw materials.

Housing

As dictated by the laws of an open market, housing too, like other facilities, is constructed for the elite. Slums and footpath dwellings have grown unchecked in urban areas. In rural areas, there is no planned construction of houses. The present state of affairs will have to be completely changed in the alternative development system.

The present housing technology uses highly energy-intensive materials. Construction costs have gone beyond the means of not only the common people but also those with relatively high earnings. However, techniques are available and are being developed for the construction of good low-cost traditional houses with easily available materials. *Adivasis* and other people in rural areas do not find it difficult to construct habitable homes quickly and at a low cost with locally available materials. Such houses lack in sophistication and some conveniences. Yet, the technology of constructing low-cost houses with local resources in a short period needs to be studied for possible improvements and modifications.

While discussing the problem of housing in rural areas, some thought must also be given to proper planning of roads, sanitation, sewerage, public buildings, etc. This will include planning and use of biogas from organic material and solar energy.

Water

The problem of water in rural areas has already assumed grim proportions. The number of Indian villages which have no ready source of drinking water for several months is increasing every year. Water for drinking and domestic use should be available in every village all year round. The village should own and control all water resources. Experts have drawn attention to the lowering of ground water levels due to an increase in the number of tube-wells and the tendency to pump excessive amounts of water from them. The village should have a right to restrict such wasteful use of water. At the same time, the village should itself, without being encumbered with red tape, develop small projects for ensuring that the rainwater is harvested and it percolates in the ground when not tapped at the surface. For this, expert advice should be made available to village authorities.

Social Services

The extreme inequality existing in the society today can be seen in this sphere of social life as well with most people lacking even basic services. The best services in these fields are available to a handful of rich upper class persons. It may appear at first sight that they 'pay as they use' for these services. But as a matter of fact, they are given benefits in the form of subsidies, tax relief, etc. The burden ultimately falls on the shoulders of society. Due to the extreme inequality, the rich are able to augment their wealth and power by various means,

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further heightening the overall inequality. This is most obvious in matters of education and health.

Primary and technical education should receive high priority. The heavy expenditure incurred on higher education benefits only a few students from the upper class. The economic burden of higher education should fall on them without any subsidies or tax relief.

It doesn't seem possible at present that allopathic medical services can reach all the people of the country, especially the rural poor. It is also improbable that the doctors who receive expensive medical education would go to the villages and treat people there. The tendency among doctors — to live in towns and secure a decent living by fair or foul means — is spreading fast. At the same time, the allopathic system of medicine suffers from certain inherent defects. As such, in spite of proven effectiveness of the system for certain ailments, it is not a wise policy to establish health and medical services exclusively on the allopathic system. The *Ayurvedic*, *Unani*, and *Siddha-yoga* systems of medicine too have notable merits as against the allopathic system.

Capital

Capital investment is essential for any productive enterprise. Capital commonly means money. But economic theories treat manpower too as a form of capital. Human resource capital does not depend merely on numbers. Educational qualifications, efficiency, expertise achieved through training, physical strength, health, and commitment of the available manpower to the work, are all factors of human capital on which the value of this capital depends.

Manpower is abundant in India. People often possess many different traditional skills and practical knowledge. Society has not provided adequate facilities for the development of this traditional knowledge and skills. Proper planning and efforts can rectify these deficiencies. Thus, it is within our own means to raise a large and effective human capital as defined in economic terms. It is unfortunate that instead of raising human capital of this kind, we are adopting foreign technology and discarding valuable human capital resource.

Our country continues to be poor in terms of money. So raising very large financial capital, at least in the near future is beyond our means. Under the

circumstances, policy makers in the country have adopted the strategy of attracting foreign capital. The pitfalls of depending on foreign resources for capital are only too obvious. Since many people have drawn attention to this situation, it need not be discussed here in detail. Since self-reliance is the central tenet of the alternative approach to development, foreign capital and ideas associated with it should be treated as undesirable.

Financial and human capital are interchangeable to a substantial extent. Both are independently necessary in some measure or other. But how much of each is required for a particular productive activity is something that needs to be decided by those who plan production. If we observe the development of organized industries throughout the world during the past 150-200 years, we see a trend of replacing human capital by finance. This process is not inevitable.

Since production for private profit is the basis of industries at present, new technologies are adopted only to the extent that they increase profit. Such technologies are inherently capital-intensive and labour-saving. But by minimizing private profit and by prioritizing genuine needs of the society as a whole, the ratio of human capital to financial capital can be decided as per the availability of the two types of capital and not on blind acceptance of the current capital-intensive development system.

Several evil consequences ensue on account of undue importance accorded to financial capital especially in countries like India. Centralization of production, income and, ultimately, of social and political power is inherent in a capital-intensive system. In addition, the consequent shrinkage of opportunities for human labour leads to unemployment. Undesirable trends like poverty, organized crime, smuggling, corruption and violence spread in society. These trends, emerging along with unemployment in industrialized affluent countries as well, are disturbing intellectuals and activists. The impact is even more destructive on poorer countries.

Production for meeting the genuine needs of common people and generation of employment in the natural course of that production system have been stressed above as central doctrines of the alternative industrial model. Further, the use of indigenous raw material should form the basis for production with only a minimal amount of financial capital. Fortunately, at the present stage of development, any heavy investment of financial capital for the fulfillment of genuine needs of people is not indispensable. What we need is to improve the quality

and quantity of production and to avoid wastage of resources. This can be achieved by improving the quality of human capital through education, training, better health services and nutritive food, particularly for women.

It is true that certain industries like oil refineries, steel, electricity generation, railways cannot come up without heavy capital investment. A serious examination of the importance of each industry with regard to the genuine needs of the common people is essential. Unfortunately, present day indicators of development are misleading. Societies consuming more steel, electricity, telephones or paper per capita are regarded as developed. Judged by these criteria, we are considered backward. The quality of people's lives does not depend on the abundance of goods and services or lack thereof. Nor does it depend on society's total consumption. It is unreasonable to give undue importance to industries such as oil refineries, steel and energy and then determine the need for financial capital on that basis.

Yet, some financial capital would be needed in any case. It is, therefore, important to consider questions such as how will the capital be raised? Who would raise it? How would it be allocated? What would be the policy in regard to the capital market?

If we accept that all capital, in the ultimate analysis, belongs to the society, it follows that the society will have a central role. Similarly, the role of the government would be important. In the first place, it would be the function of the government to accumulate capital in the form of taxes. The finances for meeting the expenditure for running the government itself, the defense of the country, necessary social services, the amount to be spent on improvement of agriculture as also the capital to be raised for expenditure of industries, have all to be met mainly through taxes. The tax policy will have other objectives as well, such as reducing inequality by diverting part of the privately-owned wealth towards poverty alleviation.

Whatever the means adopted for mobilization of capital, whether by levying taxes, through private investment by small entrepreneurs, or loans raised, people should have the savings to make this possible. Maximum savings should come from those who are comparatively well off. Hence, steps will have to be taken to ensure that this class does not spend money wastefully. If necessary, they could be forced to save. Some years ago, the government had formulated a Compulsory Savings Scheme requiring participation of the high-income group. In spite of some initial opposition, the Scheme did not generate much protest.

The Scheme expired and no similar scheme is in force now. It may be feasible to re-introduce such schemes.

Though it is primarily the function of the government to raise money for capital investment through taxes, it would be dangerous to concentrate all rights relating to investment in the government's hands. To distinguish the government from the people in the context of capital investment is necessary for the same reason as in the context of ownership of the industries.

A separate representative body free from day-to-day control of the government may be instituted for proper investment in various sectors within the overall framework of national planning. This body will include the representatives of industrialists, consumers, workers, economists, planners, government, etc.

The Public Enterprise Authority suggested earlier in the context of industries could also be the authority for capital investment. Alternatively, the two functions could be separated under two different agencies. It seems logical that the two functions could be entrusted to one single authority. In any case, special attention must be paid to ensure that the work is free from the maladies of over-centralization and bureaucratization.

Markets

The market does, indeed, have a role to play in the alternative paradigm. If all capital investment, production, distribution and trade, etc., are circumscribed within the framework of capital planning and under the control of some central authority, then it amounts to a command economy and should be eschewed.

However, total dependence on the market leads to distortions in the economy because the market takes note of the demands of only those who have money and production takes place mainly to fulfill their demands. The free market does not take responsibility of ensuring that production caters to the needs of those who have little or no money. In our society, those who lack purchasing power form the majority. Therefore, extreme inequality in society is the main cause of the distortions brought about by the free market.

At the same time, the economic inequality is intensified by the distortions of the free market because there is no adequate protection for meeting the needs of the poor. Economic and industrial policy in the alternative model will keep the objective of economic equality in the forefront. The market will also heed to

the fulfillment of the needs and demands of the common people.

Industries which produce goods and services needed by the masses should be given priority. The question, however, remains as to what are the genuine needs of the people? How will priorities be decided among different needs? Who will decide priorities and on what basis? These questions should not be answered by some authoritative or informed individual or group or by a planning commission or some similar authority. The danger of the emergence of a command economy is inherent in this. The needs and priorities as felt by the people should be conveyed through some effective mechanism to planners, the authority or the government. The market is regarded as an effective medium of such communication.

Capital Market

It is necessary to discuss two more markets. One is the capital market and the other, the labour market. There are wealthy individuals who wish to invest money in different economic activities without getting involved in managing those activities. One function of the capital market is to provide opportunities to such people to invest in productive economic activities in which they seek no direct participation. On the other hand, there are persons engaged in economic activities and need capital for investment in their businesses. Making such capital available to them is the other function of the capital market. The theory is that such a market would enable the investors to choose the most profitable enterprise for investment and for the entrepreneurs to obtain capital at the best rate.

But, in practice, both functions become subordinate. It is not that in today's capital markets direct give-and-take of capital between investor and industrialist does not occur. But there are also institutions and persons who treat capital as a commodity for sale and purchase. Their main object is to make profit out of such deals. The dealings dominate the transactions in the capital market. This is the state of affairs not only in our national capital markets, but also in the international capital markets.

The purchase and sale of capital that takes place for the direct use of the producer is very modest in comparison to the deals made in capital as a commodity, i.e., speculation. It is estimated that in all the capital markets of the world, international trading in capital occurs to the tune of \$1200 billion per day. In comparison to that, annual gross domestic product of the entire world

amounts to about \$2500 trillion, which comes roughly to only \$75 billion a day. It is quite clear that the social utility of the money market, in spite of the grounds stated by the planners, does not correspond to the reality. Since speculation is the main activity there, tendencies like manipulation and fraud become the order of the day, robbing both the genuine investors and entrepreneurs in the process.

Such a capital market has no place in the alternative economic model. Nevertheless, it is important that there should be some system to enable the investors to invest and entrepreneurs to procure capital. But in the alternative pattern outlined here, there would be no transfer of capital on any large scale. Such transfer as is necessary can be arranged through financial institutions, banks and co-operative institutions to the extent required. Such institutions are working even today but some undesirable tendencies are creeping up in them also. Some banks and financial institutions themselves have been found involved in various frauds. At the same time, they are themselves becoming victims of the game. If the capital market of today is abolished, the distortions will be ameliorated to a considerable extent if not fully corrected.

Labour Market

In the present open economic system, labour is also treated as a commodity for purchase and sale. Wages paid to workers are the price of that commodity. The expenditure incurred on labour, that is wages and benefits paid to the worker, constitutes an item of expenditure for an enterprise. It is an objective of any enterprise in the market-based free economy, to reduce labour expenditure.

Of late, industries believe that they have to be 'lean and mean' if they have to survive competition in the market. Any concerted action on the part of the workers to protect their interests, for obtaining social security are all regarded as harmful to the industries. The principle of 'hire and fire' of workers is expounded. Industrialists feel that the labour market should be flexible. Job security is regarded as harmful.

Flexible labour markets allow enterprises full freedom to resort to such measures as closing down when found unprofitable, transferring to backward regions to reduce labour expenses, production on a contract basis, etc. Many entrepreneurs and government functionaries are putting forward pleas for withdrawing laws restricting such freedom. A policy for exempting small

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enterprises from all protective labour laws has been espoused by the government.

In a labour market like this, the workers have no recognition as human beings, while in the alternative labour market, the human being is at the centre of the scheme. The supremacy of the free market, which treats labour as a commodity for sale and purchase, cannot be accepted in the alternative economic model. In fact, it is a contradiction that in international trade there is emphasis on human rights and 'social clauses' while domestically, there is emphasis on free and flexible labour market.

CONCLUSION

It is obvious that changing the entire present day concept and paradigms of development, accepting a new concept and paradigm and initiating a new development process is a very difficult and challenging task. But this is not an impossible task. When awareness is created among a majority of the common people of the country and the new concept is sketched and implemented with their active co-operation, only then the goal of human-centered, sustainable, genuine development will be achieved through the enlightenment and participation of the masses. Such a change cannot be brought about merely by a handful of intellectuals, activists, politicians or the government.

This process of change must, therefore, be carried on with the initiative and participation of common people. However, that does not mean the role of the government is insignificant. The change in the development process will be a serious blow to the established vested interests of the society. Naturally, all classes of people whose interests lie in the present mode of 'development' will oppose this change with all their might. Only by overcoming this opposition, the new process would be able to forge ahead. In this, the government will have a central role.

However, it is a task for peoples' movements to neutralize the prevailing structure of vested interests and the system that has emerged in the name of development. The instruments of boycott and *swadeshi* that had been used against the British during the freedom struggle need to be refashioned as appropriate to the present context

During the past 50 years, the economic system has been more centralized and big capitalists have established their hold over it. One reason for this is

that after Independence, the society has increasingly tended to think that the government should solve all its problems. Through meetings, conferences and movements, we have most emphatically submitted our charter of demands to the government. What the people themselves should do has rarely been discussed at such meetings. Naturally, all decision-making powers have converged in the hands of the government. The government has used them to preserve and promote the interests vital to itself.

People will have to come forward for construction of a decentralized economy based on indigenous resources. No matter how strong the producer, the capitalist or the multinational is, it is our right to decide how to live, what to eat, drink and buy. Each one of us should decide what we should reject in our own right. This right to reject is the ultimate power and instrument in the hands of the people which needs to be used. Then the movement will reach all cities, towns, *mohallas* and villages. In this upheaval, the present hegemonic form of government will also not survive. Lastly, though the government will be expected to assist in the process of change, there will be no need for the use of force.

For achieving above-mentioned objectives, a blueprint of practical strategies and campaigns of rekindling the power of the common people will have to be drawn up. For that, a number of feasible suggestions have to be advanced. But on account of inherent limitations of a monograph such as this, they cannot be incorporated here. Besides, we have faith in the creative capability of society. We, therefore, prefer to look forward to suggestions, ideas, guidance and a move towards an alternative which we have ventured to outline above.

About Jansahayog Trust

Jansahayog Trust was created after the Right Livelihood Award, often called the alternative Nobel Prize, was given to Baba Amte and Medha Patkar for their work in the Narmada Bachao Andolan. The activists of the Andolan decided not to use the award money in the immediate struggle but to create a trust which would use the money to aid those striving for humane and sustainable modes of production and living.

By now even the 'developed' countries have accepted that the prevailing model is rapidly destroying the earth's environment. Thus the catch-phrase of the 1990s is 'sustainable development'. So far, much of the work in this direction is seeking managerial solutions to the more glaring problems of pollution and resource depletion. However, a growing fraternity of people all over the world believe that human civilization is now poised for a creative transformation in our relation to nature. This means less wasteful life-styles and different modes of production that ensure livelihood for all with dignity. This is the critical challenge of the next century.

Struggles like the Narmada Bachao Andolan are not merely questioning why some should pay the 'price' for development. They are also asking the apparent beneficiaries of development to reflect on how they may themselves be losers in the long run. The dramatic decline in the quality of life in most cities is an everyday reality for the 'developed' all over the world. The nature of this crisis extends from air, water, sound pollution and over crowding to the alienation and tension generated by the pace and competitive acquisitiveness of modern life.

At present most people cannot see the links between what they consider progress, i.e. more consumption, faster communication etc., and problems that seem to defy solution. There is an urgent need to make these linkages more visible in everyday life and to struggle for changes that would ensure sufficiency for all.

There is no one solution or fixed path. We are all groping for solutions which will vary from situation to situation, but can be rooted in the shared value of respect for all life forms.

Jansahayog Trust's work is a small input in this larger global process. The trust's corpus, from the Rightlivelihood Award, is invested in approved securities. The annual interest from this is used as grants and honorarium to activists engaged in struggles for an alternative, creative, model of development. The Trust has also taken the initiative to conduct workshops and seminars to foster dialogue and debate on the challenges of exploring sustainable modes of production and resource use. So far, such grants have gone to some of the following efforts :-

- The struggle of communities being displaced by the Bisalpur Dam in Rajasthan.
- Ganga Mukti Andolan, in Bihar.
- Bandhua Mukti Morcha, Latur.
- People's Institute for Rural Action, West Bengal.
- A gene bank at Machla, Madhya Pradesh.
- Bhopal Gas Peedit Mahila Sangathan.
- Kisan Adivasi Sangathan, Kesla, Madhya Pradesh.
- Aproop Nirman, Nagpur.
- Rashtriya Yuva Sangathan, Mumbai.
- Girijan Praja Sangam, Andhra Pradesh.

The Jansahayog Trust is not a funding agency in the conventional sense of the term. We essentially aim to foster both specific ground-level endeavours and a wide social debate, for redefining development in ways that ensure a non-centralised social, political, economic and cultural order which empowers people. It is only through such collective processes that we will find answers.

Contributions to Jansahayog Trust are tax deductible under section 80 (G) of the IT Act.

Much of what is currently done in the name of development has failed to bring happiness, prosperity and social justice to all people on earth. This has been self-evident for several decades. The unabated plunder of natural resources has severely disturbed the equilibrium of nature. In many countries, people are being deprived of the natural resources which constitute the bedrock of their livelihood. Thus scholars, intellectuals and activists all over the world are protesting against so-called development processes which threaten the ecological balance and foster gross inequalities.

We need a vigorous discussion on alternative concepts of genuine development with its related economic, social and political structures. Many groups in India have been engaged in this exercise for the last decade.

This booklet aims to carry this endeavour further.



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