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## UNIT 10 RURAL ECONOMY

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### 10.0 OBJECTIVES

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After going through this unit you will be able to

- state the main features of a rural economy
- discuss the nature of Indian rural economy from a historical perspective which would briefly cover traditional and colonial periods
- describe the rural economic situation after Independence.

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### 10.1 INTRODUCTION

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In the previous two Blocks of this course we looked at some important facets of rural and urban social structures as well as the variations found in social institutions like family, marriage and kinship. In this Block we are going to focus on the economic and political aspects of Indian social structure.

In units 10,11 and 12 of this Block we will look at the rural and urban economy and the problem of poverty in rural and urban India. In unit 10 on rural economy we will discuss the nature of India's rural economy in a historical perspective.

The section 10.2 gives an outline of the main features of a rural economy. Section 10.3 discusses the nature of rural economy in ancient and medieval periods of Indian history. Rural economy during the colonial rule is described in section 10.4. We then look at some important changes in rural economy since Independence in section 10.5.

## 10.2 FEATURES OF A RURAL ECONOMY

Generally speaking the concept of economy deals with production, distribution and consumption of material goods and services. Material goods are produced with certain means, raw materials, technology and labour. Moreover, people enter into social relations for organisation of production. Produced goods are distributed among the various sections of society. Society also fulfils the need of different kind of services. Further, we find that historical experiences of human society show changes in economic life over a period of time, which is accompanied by changes in society as a whole. We have therefore taken a historical perspective to describe rural economy in India. Let us first define the term ‘rural’.

Such criteria as demographic, economic, ecological and socio-cultural are used to identify what is rural. The popular definition is that it is an area pertaining to the country as distinguished from a city or a town. Agriculture is its main economic activity.

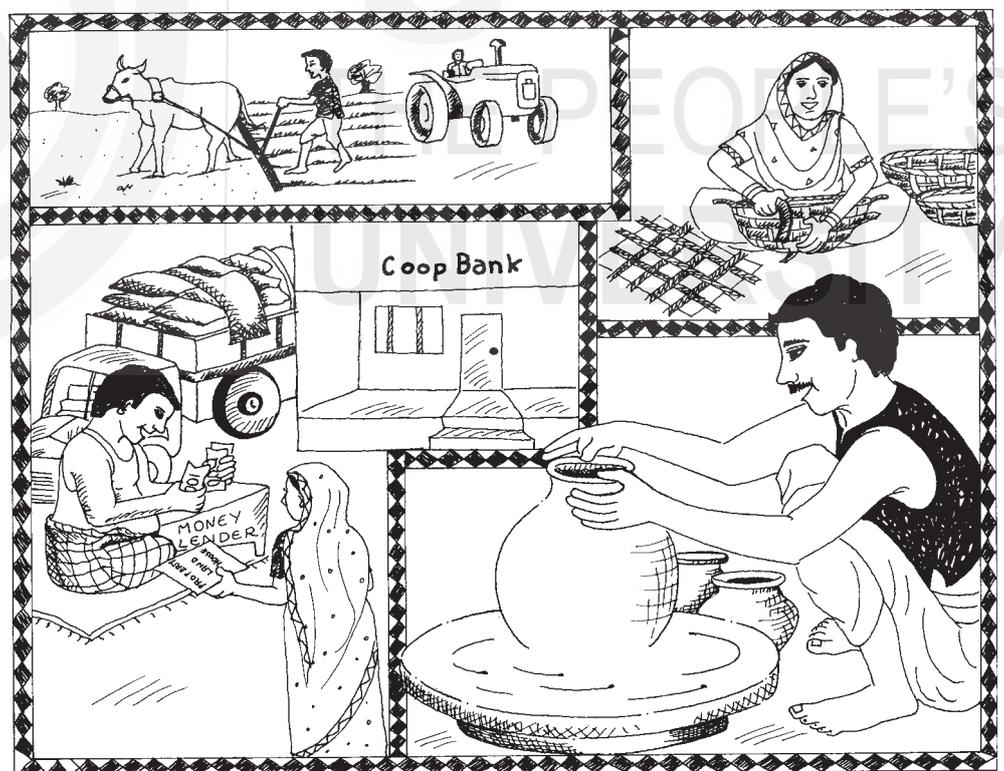


Fig. 10.1: Rural economy

In the case of rural economy land is the primary means of production. Land is made fertile by human labour. The rural people live in villages and produce a variety of crops by means of technique and their labour power. Moreover,

village and cottage industries also have been traditionally an important part of rural economy. A cottage industry is a home-based industry, which generally produces finished goods. A graphical representation of various constituents of rural economy is shown in figure 10.1.

The level of material prosperity of society is determined by the level of production and the mode of distribution of products among the different strata of society. Our discussion of India's rural economy would therefore deal with the issues of ownership and control of land and other assets, and technique of production. It includes a description of the organisation of production and accompanying social relations. It will also include a discussion of inter linkage between agriculture and village industries. For the sake of simplicity of presentation, we have discussed these issues in a historical perspective.

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### 10.3 TRADITIONAL RURAL ECONOMY

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Rural economy has been dominant in India since ages. Agriculture is its base, which provides food for the whole population and raw materials for rural and urban industries. In 1981, seventy-six per cent people of the total population lived in villages, sixty-three per cent of India's population were dependent on agriculture as their source of livelihood and sixty per cent of the working population was engaged in agriculture. Later figures show that 74.3 per cent in 1991 and seventy-two per cent of the total population in 2001 lived in villages. Agriculture was the means of livelihood for 60.5 per cent and 58 per cent of the total workforce in the years 1991 and 2001, respectively. The census figures since 1981 clearly show that there is a decline in the per centage of the people engaged in agricultural sector over the years. The Economic Survey 1999-2000 acknowledged that the overall employment growth in agricultural sector declined from 2.75 per cent in 1972-78 to 2.37 per cent in 1988-94, even while the survey reiterated that the higher growth of the economy could be sustained only if agriculture and the allied activities grow at an average annual rate of four per cent (Economic Survey 1999-2000). Agriculture constituted forty per cent of the national income. In 1991, agriculture and the allied activities constituted the single largest (almost thirty-three per cent) contributor to the GDP. Though in the year 2001 the income from agriculture and allied activities has declined to 24.9 per cent, it still makes a significant contribution to our export.

Let us now look at the nature of the rural economy in ancient and medieval periods of time.

#### 10.3.1 Ancient Period

Rural economy in India goes back to the Indus Valley Civilisation (c. 2600-1500 B.C.). This was an urban civilisation having a wide agricultural base. Plough cultivation was known to the rural people. Its evidence was found in archaeological excavations at Kalibangan in Ganganagar, Rajasthan. Crops like wheat, rice, peas, sesamum and cotton were grown in the flood plains of the Indus river and its tributaries. Foodgrains from the rural areas were stored for the townsmen. This is testified by the existence of granaries at various Indus towns. Potters made earthen wares and metal workers manufactured articles of copper and bronze. Ram Sharan Sharma (1983: 198) observes that

the chief basis of Indus urbanisation could be the taxes and tributes collected from the peasants living in the vicinity of the towns. This form of economy however changed to pastoral and semi-nomadic way of life.

i) **Pastoral Economy**

In the beginning of the Rigvedic period (c. 1500-1000 BC) there occurred a complete rupture with the earlier economy. The life of the Rigvedic people was pastoral and semi-nomadic. Their main occupation was cattle rearing. Cows, goats, sheep and horses were domesticated. Pasture ground was under common control. Towards the end of the period people started settling in villages. They also took to cultivation by means of the plough drawn by oxen. Arts and crafts such as leatherwork and wool weaving were practised. The society was largely egalitarian and unhierarchical.

ii) **Agricultural Economy**

During the later Vedic Phase (c. 1000-600 BC) agricultural economy became predominant. Cattle remained the chief movable property of the people. The wooden plough with the *khadira* ploughshare was used for cultivation. Crops such as barley, wheat, rice and lentils were grown. Various arts and crafts were practised like that of carpenter, weaver, leather-worker, metal-worker, potter etc. Functional specialisation of labour took place and the society was organised on caste and *varna* lines. The Brahman performed prayers and rituals. The Kshatriya earned their livelihood by means of war and government. The Vaisya were engaged in agriculture and Shudra formed a small serving order. Land was possessed by families. Cultivation and allied activities were conducted with family labour. There were no *karmakara* or hired labourers. Taxes and tributes were collected in kind from the peasants by the king and his officers. The priests and warriors had hardly any connection with the primary aspect of production (Sharma 1983: 116). The beginnings of the *jajmani* system could be traced to this period.

iii) **Introduction of Iron**

Iron-based production in agriculture and crafts became central in the age of the Buddha (c. 600-322 BC). Now, iron ploughshare, socketed axes, knives, razors, sickles and other tools were used for productive purposes. Rice, wheat, barley, millets, pulses, sugarcane and cotton were grown extensively. A considerable portion of land was possessed by the two upper *varna*, that is, the Brahman and the Kshatriya. But a greater part of the land was in the hands of *gahapati* (peasant proprietors) belonging to the Vaisya *varna*. Peasants paid taxes directly to the king. Villages supplied food for the king, nobles, merchants, soldiers and artisans who lived in towns, with the growth of urbanisation.

iv) **State and Agriculture**

State control of agriculture became an important feature of the Mauryan period (c. 322-200 BC). Big farms were established and managed by the state. Slaves and hired labourers belonging to the Shudra *varna* were employed in them. Moreover, the state provided tax concessions and support in the form of cattle, seed and money to the Vaisya and Shudra to settle in new settlements for extension of agriculture. Royal tax on agriculture was one-sixth of the produce,

which could be raised in the time of emergency. State provided some irrigation facilities and levied cess for the same. But in the post-Mauryan period (c. 200BC-AD 300) no state farm was maintained. Land was mainly in the possession of individual cultivators.

#### v) **Feudal Relationships**

A feudal type of society started emerging during the Gupta period (AD 300-600) which gradually got stabilised. Land grants were made by the Gupta emperors, their feudatories and private individuals which created a class of powerful intermediaries between the king and the masses. Grants of land and villages were made to the Brahmans and temples. They got the land cultivated by permanent as well as temporary tenants belonging to Vaisya and Shudra *varna*. They collected land rent from the peasants without any obligation to give a share of it to the king. The feudatories were also assigned administrative powers in their areas. But free peasants cultivating land with their family labour and paying taxes to the king in areas not gifted to anyone probably still possessed a major portion of the land. At the same time their position depreciated due to imposition of various taxes. Further, land grant became more common during the post-Gupta period. Grants of land to officials in lieu of cash salaries got intensified in this phase. The grantees could deprive peasants of their means of production and curtail their rights to the use of land and pastures.

Village economy assumed a somewhat self-sufficient character with the decline of trade and urban centres. Local needs were met through local production. The *jajmani* system got reinforced by the royal charters instructing the peasants and artisans to stick to their villages. Artisans were paid in kind for their services to the peasants at harvest time.

Thus through the increase in landlords we find the development of a feudal type of society. These landlords had control over the instrument of production operated by the peasants. Society was divided into two basic classes, one of landlords and the other of peasant producers (Sharma 1985: 18).

### 10.3.2 Medieval Period

A judicious combination of agriculture and village cotton industries based on agricultural products characterises the medieval rural economy. Production was mainly for local consumption. But a part of the rural produce entered local trade. Villagers bought only a limited number of things from outside like salt, iron and a few consumer goods. Money hardly entered into transaction in the villages. The *jajmani* system continued with the mode of payment of kind. Now let us take a brief look at the state of farming, arts and crafts, trade and the nature of classes in rural areas during this period.

#### i) **Farming**

It was a period of abundance of cultivable land. Agriculture provided food for people and fodder for cattle. A large number of crops were grown such as wheat, barley, millet, peas, rice, sesame, gram, oilseeds, cotton etc. Land was irrigated by wells, dams and canals. Some water-lifting devices were also used. But generally use of the traditional implements in agriculture and crafts continued. The vast area of land depended mainly on nature (rainfall) for sustenance, as is largely the case even now.

## ii) Arts and Crafts

A variety of arts and crafts based on agricultural produce were practised in rural areas. Villagers manufactured ropes and baskets, sugar and jaggery (*gur*), bows and arrows, drums, leather buckets, etc. Various categories of craftsmen specialised in their hereditary caste occupations such as weaver, carpenter, leather-worker, blacksmith, potter, cobbler, washerman, barber, water-carrier, scavenger and oil-presser. These manufacturers and craftsmen fulfilled most of the needs of the rural people. Irfan Habib (1963: 60) observes that there would have been little left that a village would need from outside.

## iii) Trade

Both long distance inter-region trade and local trade were carried during the medieval period. Long distance caravan trade dealt in high value goods. Banjara (nomadic groups) monopolised trade in goods of bulk like foodgrains, sugar, butter and salt. Local trade largely meant the trade between towns and villages. Townsmen received from the rural areas foodstuffs to eat and raw materials for manufacturing various goods.

### Activity 1

Visit your local grocery/textiles/general stores where you buy your household requirement like food items, pots, pans, vessels, toothpowder, table, chair, cloth etc. Request the shop owner/manager to show you the various items that are produced by the local cottage industry. After you have done this, (a) locate craftspersons who make some of these items and observe how they actually work and (b) discuss with them the cost they incur while making the goods, the training they have had to make them, how they market them and what profits they get. Then on the basis of what you have observed and heard, write a brief report of about two pages on a “cottage industry”. Compare, if possible, your report with those of other students at your Study Centre.

## iv) Classes in Rural Areas

During the medieval period the entire rural population was divided into two broad classes, i.e. the big land-holders who collected land revenue from peasants in addition to owning tax-free land and the masses comprising peasants, artisans and landless labourers. The big land-holders constituted the rural segment of the ruling class headed by emperor and his nobles. They were known as *khirt*, *mugaddam* and *chaudhuri* during the Sultanate period and *deskhmukh*, *patil*, *nayak* and usually *malik* during the Mughal period. They had a good life without directly participating in the process of production. They collected land tax from the peasants and owned their own land free from taxes. They were generally prosperous enough to ride horses, wear fine clothes, own good houses, gold, and silver ornaments and thus maintain a high standard of life.

The peasants constituted the majority of the rural population. They cultivated their land with family labour and earned their livelihood. They had to pay land tax, which was usually, one-third but sometimes reached one-half of the produce. Land revenue was generally paid in cash. In addition, the peasants

had to pay other taxes e.g. *shari* (house tax) and *charai* (grazing tax) under certain rulers like Allauddin Khilji. Having been subjected to various taxes they had a very hard life to live.

Landless labourers formed another significant portion of the rural population. They worked on the land of wealthy landholders. They were in agricultural bondage of the large landowners. Some were slaves of the plough and others in domestic slavery of wealthy land-holders. They constituted a service class of hereditary serfs (Moreland 1983: 112).

In general, it has been observed that the life of the peasants, landless labourers and artisans was hard. Contemporary writings show that the masses sold their children during droughts and famines simply for the sake of their survival.

### Check Your Progress 1

i) Tick the right answer.

The first evidence of plough cultivation during the ancient period was discovered at

- a) Pataliputra
- b) Hastinapur
- c) Kalibangan.

ii) Tick the right answer.

During which period did the first state farm start?

- a) The Gupta period
- b) The Mauryan period
- c) The Mughal period

iii) Match the following sets.

- |                              |                |
|------------------------------|----------------|
| a) Indus Valley Civilisation | a) Pastoral    |
| b) Later Vedic Society       | b) Landlordism |
| c) Rigvedic Society          | c) Agrarian    |
| d) Medieval Period           | d) Urban       |

iv) What were the two important classes that comprised the rural population during the medieval period? Use two lines for your answer.

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## 10.4 COLONIAL RURAL ECONOMY

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The rural economy underwent some important changes during the colonial rule in India. De-industrialisation, new land revenue settlements, like the *zamindari*, *ryotwari* and *mahalwari* systems and commercialisation of agriculture were some of the important features of the rural economy during

this period. The measures introduced by the British also caused a considerable strain to the *jajmani* system. Let us look at each of these points one by one.

#### 10.4.1 De-industrialisation

The British colonial rule in India shattered the traditional rural economy. It broke up the sustainable pattern of growth of rural economy. The healthy union between agriculture and village industries was destroyed. Indian economy was subordinated to the interests British trade and industry.

Rural artisan industries were hard hit under the British rule. Domestic goods were made with primitive techniques on a small scale. They could not compete with mass-produced machine made cheaper goods imported from Britain. The cotton spinning and weaving industries suffered the most. Silk and woollen textiles also were badly affected. Similarly, tanning, dyeing, oil-pressing and iron industries suffered due to introduction of machines for these purposes. Moreover, introduction of railways hastened the process of decline of the rural industries. Now, the British goods could reach the remotest corner of the rural areas. Increased export of agricultural raw materials from India for British industries injured Indian handicrafts.

The ruin of village arts and crafts led to de-industrialisation of rural economy. There was a rapid decline in the per centage of population dependent on industries from 18 per cent to 8 per cent (Sarkar 1983: 30). Cotton spinners and weavers in the villages were almost wiped out as a result of mill-made cloth from England. The other village artisans too were affected by imports from England. As a result, the dependence of people on agriculture increased. This strained the traditional *jajmani* system (see sub-section 10.4.4).

#### 10.4.2 New Land Revenue Policy

In different parts of the country the British introduced three types of land revenue settlements i.e., the *zamindari*, the *ryotwari* and the *mahalwari* systems. But they had similar consequences everywhere. A very oppressive class of landlords emerged and the peasantry got impoverished. Let us examine each of these systems one by one.

##### i) Permanent Settlement

Under the permanent settlement (also known as the *Zamindari* settlement) the *zamindars* (landlords) were given hereditary ownership, over very large tracts of land known as *zamindaris*. They had to pay a certain portion of the land revenue they derived from the peasantry to the colonial government keeping the rest for themselves. The share of the government was fixed in perpetuity. However, the landlords could raise the rate of land revenue collected from the peasants at their will for their own advantage. This they normally did in order to meet the growing desire for an extravagant life style. The result was disastrous for the tenants, as they grew impoverished. Moreover, the peasants were made mere tenants being deprived of their long-standing rights to the soil and other customary rights. Further, the peasants had to pay land rent in time irrespective of good or bad harvest failing which they were dispossessed of their land by the landlords. This forced them to take loans from the money-lenders or from the *zamindars* (landlords) themselves. The peasants were even compelled to sell part of their land for paying the rent. Their indebtedness kept on mounting and added to their poverty.

## ii) *Ryotwari Settlement*

In the *Ryotwari* areas the cultivator was recognised as the owner of his land, subject to the payment of land revenue directly collected by the state, which acted in practice as a *zamindar*. The rate of land revenue was periodically revised and raised compelling the peasants to get trapped in indebtedness to the money-lenders or lose land in case of inability to pay the dues.

## iii) *Mahalwari Settlement*

The *Mahalwari* settlement of land revenue was made by the government with landlords or heads of families who collectively claimed to be the landlords of the village or the estate (*mahal*). In this case also the peasants suffered in the same manner. Therefore, Bipin Chandra (1977:187) rightly commented that the peasantry was crushed under the triple burden of the government, the *zamindar* or landlord, and the money-lender. Thus the peasants life under this system was characterised by poverty and famine.

## iv) **Consequences of the New Policy**

Other important consequences of the new land revenue policies were the ruin of most of the old *zamindars* and rise of new landlordism. The government was very rigid in collecting land revenue from the *zamindars*. The old *zamindars* had lived in villages. They were lenient in collection of revenue from the peasants especially in bad times. Therefore, failure in payment of revenue on their part to the government resulted in the dispossession of the *zamindari*. The government then auctioned off the *zamindari*. In most areas these came into the possession of merchants and money-lenders. These new *zamindars* generally lived in towns and were very ruthless in the collection of land revenue even in case of failure of crops. In addition, the process of subinfeudation grew up. Subinfeudation means that the landlords sublet their right to collect land revenue to other persons on profitable terms. They in turn also sublet their rights to the other. Thus developed a chain of rent-receiving intermediaries between the state and the actual cultivator. The burden of cultivators increased. In sum, Bipin Chandra (1977: 189) observed that as a result of overcrowding of agriculture, excessive land revenue demand, growth of landlordism, increasing indebtedness and growing impoverishment of the cultivators, Indian agriculture began to stagnate and even deteriorate, resulting in extremely low yields per acre.

### **10.4.3 Commercialisation of Agriculture**

Another impact of the British rule was commercialisation of agriculture. The rate of land revenue was high. It had to be paid in cash. Moreover, the manner of collection of revenue was also very rigid. Hence, the cultivators were forced to sell a significant portion of their produce in market after harvest, at low prices. The cultivator was to remain half-fed or go empty-stomach. There was no improvement in the technique of agricultural production, which could enable cultivators to produce surplus grains for sale in the market. In fact it was a forced entry of cultivators in the market economy.

Further, foreign capital was invested in plantation of indigo, tea and coffee in India. The produce was meant to be sold in the European market. Cotton was also exported from India to feed the British textile mills. This increased the

penetration of money economy in rural areas and interlinked the Indian economy with the international market for serving the British interests. The Indian peasant was made to bear the burden of wildly fluctuating market prices, which accentuated their misery. Growing of commercial crops and high-priced foodgrains like wheat instead of poor person's food-crops such as jowar, bajra or pulses often caused havoc in famine years. Production of commercial crops required higher inputs, which increased the dependence of the peasantry on money-lenders for more loans. Thus they remain trapped in indebtedness. Sumit Sarkar (1983: 32) aptly remarks that for the vast majority of poorer peasants, commercialisation was often a forced process.

Due to abject poverty of peasants and landless labourers the *zamindars* and money-lenders could exact forced labour and *begar* from them and impose on them illegal exactions. The practice of serfdom and debt slavery prevailed widely. Social tyranny over the masses was perpetuated (Sarkar, 1983).

#### 10.4.4 The *Jajmani* System

In an earlier part of the unit (10.4,1) we observed that the British colonial rule shattered the traditional rural economy and caused a strain on the *jajmani* system. We have discussed about the *jajmani* system in one of our earlier Blocks of this course (Block 1 unit 2 on rural social structure). We shall look at this system here in the context of our discussion on rural economy.

The *jajmani* system was a very important rural social institution in traditional India. It grew up during the ancient phase of Indian history when occupational differentiation and specialisation of various arts, crafts and menial services developed and owners and non-owners of land emerged in villages. It maintained its vitality in the medieval period. But it started declining during the colonial period and now it is very weak in villages. It is known as *baluta*, *aya*, and *miland* in different regions of India.

The *jajmani* is a system of economic, social and ritual bond between different castes in villages. Landowning upper and intermediate castes are patrons and others belonging to poor lower castes serve the patrons. The patrons are known as *jajman* and the service castes are called *Kam Karnewale* or *Kamin* or *Purjan*. The service castes like carpenter, blacksmith, potter, barber, leather-worker and water-carrier offer their services to the landowning upper and intermediate castes, e.g. Rajput, Bhumihar and Jat etc. in the North and Kamma, Reddi and Lingayat etc. in the South. The service castes are usually paid in kind. They are also entitled to other considerations like free house site in addition to free food, clothing etc. on certain occasions e.g. festivals, birth, death and marriage.

The *jajmani* relations also extend to neighbouring villages. The service castes have their *jajmans* (clients) outside the village where they live. Wherever problems regarding rights and obligations or other matters related to the *jajmani* system develop, they are settled by the caste panchayats and village panchayats.

However, the *jajmani* relations primarily operate at family level. Each family in the village maintain an enduring (hereditary), exclusive (family to family) and multiple (economic, social and ritual) bond with other families belonging to different castes and occupations and thus continue with the patron-client relationship.

In his study of the *jajmani* system, Wiser (1969: xxiii) emphasised the element of reciprocity and defined the system as, "... the various castes of a Hindu village in north India are interrelated in a service capacity. Each serves the others. Each in turn is master. Each in turn is servant. Each has his own clientele comprising members of different castes, which is his *jajmani or birt*".

But the elements of domination and exploitation also are very much there in the *jajmani* system which have been studied by Beidelman (1959), Oscar Lewis (1956) and others. The landowning powerful patron castes dominate and exploit the poor artisans and menial castes who serve them.

Still a significant number of families are found in villages continuing with the *jajmani* relations. But the system has become very weak over the years in the modern period. This has happened due to various changes taking place in the rural areas, such as, increasing commercialisation of agriculture and growth of capitalist farming, increasing circulation of money, wage labour, urban migration, education and dissociation of caste and occupation.

### Check Your Progress 2

i) Tick the right answer to the following question.

Which of the following caused de-industrialisation of the rural economy during the colonial period?

- a) Preference of craftsmen for urban life
- b) Import of goods from England
- c) Preference of craftsmen for agriculture.

ii) Match the following sets.

- |                     |   |
|---------------------|---|
| a) Ryotwari System  | a) Land revenue settlement with landlords                               |
| b) Zamindari System | b) Land revenue settlement with family heads and landlords collectively |
| c) Mahalwari System | c) Land revenue settlement with landlords who are the cultivators       |

iii) Tick the right answer to the following question.

Which of the following characterised the traditional *jajmani* system?

- a) Reciprocity and dominance
- b) Only reciprocity
- c) Exchange of gifts

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## 10.5 RURAL ECONOMY AFTER INDEPENDENCE

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Since Independence a lot of changes have taken place in the rural economic scene. In this section we shall focus on land reforms, the green revolution and rural development programmes and impact of new economic policy on rural economy.

### 10.5.1 Land Reforms

After Independence of India from the British rule various land reform measures were introduced to change the agrarian structure for establishment of a prosperous and egalitarian society. Here we will first look at the changes and then discuss their impact on rural economy.

#### A) Changes in the Agrarian Structure

- i) First step was the abolition of the *Zamindari* system. Its objective was to bring the cultivators into direct relationship with the state through eliminating the intermediary interests of the *zamindars* and the chain of subinfeudation. The intermediaries were allowed to retain their *khudkasht* i.e. land for personal cultivation. The rest of their land had to be with the tenants for which the *zamindars* were compensated by the revenue. This measure led to eviction of tenants on a large scale by the *zamindars* who claimed major portion of their land as *khudkasht*.
- ii) Secondly, the tenancy reform measure taken by the state aimed at providing security of tenure, reduction of rent and facilitating acquisition of ownership rights by tenant cultivators. Usually when tenants were found to be cultivating the land for a continuous period of five years they were declared permanent or 'protected' tenants who could not be easily evicted by the landowner. Land rent was reduced. It was one-fourth or one-sixth of the value of the gross produce. The tenants got the right to acquire ownership of land they cultivated by paying rent for a limited number of years, say, eight years or ten years. A substantial number of tenants acquired security of tenure and ownership of land. But this measure also led to the eviction of tenants. Subtle and concealed tenancy arrangements were made. The phenomenon of share-cropping became more common. Landlords continued to exploit tenants.
- iii) Thirdly, ceilings were imposed on present family landholdings as well as on future acquisitions. The state had to acquire surplus land from the big landowners with due compensation and distribute the same among the marginal peasants, small peasants and landless agricultural labourers. However, delay in enactment and implementation of the law enabled the landlords either to sell off their surplus land or to partition the land and transfer the same in the name of relatives and friends and thereby evading the law to a great extent.
- iv) Another land legislation concerned consolidation of fragmented landholdings of landholders. Once implemented this measure would promote adequate investment of capital and inputs in land and boost efficiency and economy in agriculture.

#### B) Impact of Land Reforms

The overall impact of land reforms was far from satisfactory. Smaller tenants were evicted from land in large number and forced into highly exploitative system of share-cropping. They received much less protection and suffered

more than the bigger ones. Continued dominance of landlords was maintained. It was found that in spite of the land reforms the land concentration did not change much. For example Chattopadhyay (1989: 123-124) showed that in 1954-55, about 47 per cent of households in the size-class of 0.00 to 0.99 acres owned 1.38 per cent of land. Even in 1971-72, this size-class consisting of about 45 per cent of households owned only 2.07 per cent of land. But in 1954-55, about 1.5 per cent of households in the size-class of 40 acres and above, owned about 20 per cent of land. Further in 1971-72 about 2 per cent of households in size-class 25 acres and above owned about 23 per cent of land.

However, the intermediate classes of peasants have benefited replacing the older *zamindars* in politico-economic matters to some extent in the country side. The power of the feudal families is on the wane throughout the country.

Since Independence the National government amended the constitution thirteen times to incorporate 277 land laws in the Ninth Schedule in favour of the land reforms. The latest was in 1995, the Seventy-eighth amendment of the Constitution to incorporate 27 land laws in the Ninth Schedule. According to the Government reports, since the inception of the ceiling laws, the total quantum of land declared surplus in the entire country till 2001 is 73.66 lakh acres. Out of this about 64.95 lakh acres have been taken possession of and a total area of 53.79 lakh acres have been distributed to 55.84 lakh beneficiaries, of whom about 36 per cent belong to scheduled castes and around 15 per cent belong to scheduled tribes.

### 10.5.2 The Green Revolution

A process of very important biological and mechanical innovations in agriculture begun since the mid-sixties is known as the Green Revolution. In the beginning, it covered the states of Punjab, Haryana and western Uttar Pradesh. Gradually, it has penetrated into certain areas of some other states. In these areas, cultivators use high yielding variety of seeds, high doses of chemical fertilisers, abundant supply of water for irrigation, and modern agricultural implements like tractors, powered threshers, tubewells, pumpsets, etc. The total area under the high-yielding-varieties programme was a negligible 1.9 million hectares in the financial year of 1960. Since then the growth has been spectacular, increasing the same to nearly 15.4 million hectares by the financial year of 1970, 43.1 million hectares by the financial year of 1980, and 63.9 million hectares by financial year 1990. The rate of growth decreased significantly in the late 1980s, as additional suitable land was not available.

This important change in agriculture has increased the cropping intensity, total output and productivity of agriculture. Demand of agricultural labourers has increased. Employment of hired labourers in agriculture has become more prevalent. Gap in supply of labour in states like Punjab has been filled by migrant labourers from other states, e.g., Bihar and eastern Uttar Pradesh. Further, the progressive farmers cultivate their land under personal supervision rather than leasing out to tenants. In addition, they lease-in land from poor peasants who cannot afford costly inputs required for cultivation. According to Andre Beteille (1986: 89) the most striking features of these farms is that they are organised in a manner which resembles more a business enterprise than a feudal estate.

The major benefits of the Green Revolution in India were experienced mainly in northern and north western India between 1965 and early 1980s; the programme resulted in a substantial increase in the production of food grains, mainly wheat and rice. Food-grain yields continued to increase throughout 1980s, but the dramatic changes in the years between 1965 and 1980 were not duplicated. In the 1980s, the area under high yielding varieties continued to increase, but the rate of growth overall was slower. The Eighth Five Year Plan aimed at making high-yielding varieties available to the whole country and more productive strains of other crops.

Let us now look at some other aspects of the impact of Green Revolution on rural society.

**i) Causes of Disparity in Agricultural Production**

The Indian Green Revolution created wide regional and interstate disparities. The plan was implemented only in areas with assured supplies of water and the means to control it, large inputs of fertilizers, and adequate farm credit. These inputs were easily available in some parts of the states of Punjab, Haryana, and western Uttar Pradesh; thus, yields increased most in these states. In other states, such as Andhra Pradesh and Tamil Nadu, in areas where these inputs were not assured, the results were limited or negligible, leading to considerable variation in crop yields within these states. As discussed by Bhalla (1974: 109) the Green Revolution has led to accentuation of inter-region and inter-district disparities in agricultural productivity and income. However, gains of this progress have been unevenly distributed among various agrarian classes. The benefits have largely gone to large landowners. Marginal and small cultivators are unable to obtain higher output because of their small landholdings. In addition it has been pointed out that marginal and small cultivators are highly indebted to cooperative and other financial institutions for financing the high cost-inputs for agriculture (Johar and Khanna 1983: 424). Bhalla (1974: 109) found that the gap between the non-progressive and progressive cultivators had also widened.

**ii) Class Differentiation**

The Green Revolution has also resulted in differentiation within the peasant class, which is a sign of capitalist growth in agriculture. In her study of Haryana agricultural holdings operating 15 acres or less, Utsa Patnaik (1987: 199-208) found two peasant classes. The first one were the rural well-to-do and the labour hiring classes of the rich and middle peasants. The second one were the rural poor, the remaining classes of the peasantry, e.g. small and poor peasants. The former possessed large household assets, virtually monopolised modern agricultural equipments and sold nearly three-fifth and over two-fifths of their output in the market. But the latter owned meagre household assets, traditional livestock and implements and sold merely one-third of output in market. The new technology therefore, favoured the large landholders and small landholders did not derive much benefit out of the new technology.

The benefits of the Green Revolution and rural development programmes have been mainly cornered by the big landowners and rich peasants. The small peasants and agricultural labourer are steeped in poverty, unemployment and underemployment even at the beginning of twenty-first century. The gap between the rural rich and the rural poor has in fact widened.

Growth of a capitalist trend in agriculture has been noted in a study done on the Punjab economy with regard to land relations, capital accumulation and existence and increase of wage labour. Regarding land relations Utsa Patnaik's study noted that 10 per cent of farmers owning more than 20 acres of land, own more than 37 per cent of land. Capital accumulation was observed in that the top 10 per cent of the farmers accounted for 68.75 per cent of tractors, 24.72 per cent of the tube wells/pumping sets, 20.40 per cent of the threshers and 42.86 per cent of the land purchased in Punjab. Further, the proportion of pure tenants had fallen and the proportion of agricultural labourer to the total agricultural workforce had increased from 17.3 per cent to 32.1 per cent between 1961 and 1971. In the year 1991 a majority of 66.8 per cent of the main workers were employed in agricultural and allied industrial sectors. Out of the total agricultural workforce 40 per cent were agricultural labourers. As per 2001 census 26.7 per cent of the total workforce are agricultural labourers and about 70 per cent of the population depend on agriculture for their livelihood. Cash wages of agricultural labourers have increased but a more than proportionate increase in prices has eroded their real wages. The relative share of the labourers in agricultural income has declined in comparison with other classes (Johar and Khanna 1983).

**Check Your Progress 3**

i) What were the four major steps taken since Independence to strengthen the agrarian economy? Use five lines for your answer.

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ii) What is "Green Revolution"? Use five lines for your answer.

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iii) What has been the impact of Green Revolution? Use 6 lines for your answer.

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### 10.5.3 Rural Development Programmes

When India achieved Independence its rural economy was plagued with extreme backwardness in agriculture and village industries, poverty, unemployment and underemployment. The government launched a series of development programmes for rural areas to meet these challenges. First, the Community Development Project (CDP) was started in 1952. Its main emphasis was on economic growth and minimum all-round development of the whole community with the help of local participation. It covered programmes like improvements in agriculture, animal husbandry, village and small industries, health and sanitation, social education etc. However, its experiences showed that the benefit of development was cornered by the already rich and powerful rural upper classes who are rich and powerful.

Therefore, the strategy of development was changed in the early 1970s. Then, growth with social justice became the motto, programmes were designed to benefit special target groups, e.g., small and marginal peasants and agricultural labourers with special emphasis on the scheduled castes, scheduled tribes, and women. Since early 1970s a number of programmes were launched like the Small Farmers Development Agency (SFDA) and agency for Marginal Farmer and Agricultural Labourer (MFAL), Integrated Rural Development Programme (IRDP), National Rural Employment Programme (NREP), Rural Landless Employment Guarantee Programme (RLEGP), Training Rural Youth for Self-Employment (TRYSEM) and Jawahar Rozgar Yojana (JRY). Further Khadi and Village Industries Commission (KVIC) was set to promote rural village industries.

Though in per centage terms, rural poverty reduced from 56.44 per cent of the country's population in 1973-74 to 37.27 per cent in 1993-94, the estimated number of rural poor was about 193 million and this led the government to review and restructure the anti-poverty and rural development programmes. The *Swarnajayanthi Gram Swarojgar Yojana* (SGSY), a holistic self-employment programme, is the result of such latest review and restructuring programmes. It was launched in 1999 replacing the earlier self-employment and allied programmes such as IRDP, TRYSEM, DWCRA etc. In September 2001, the *Sampoorn Grameen Rozgar Yojana* was launched with the objective of attaining gainful employment, food security and strengthening of infrastructure in rural areas. The *Pradhan Mantri Gram Sadak Yojana* was launched in December 2000 with the objective of providing connectivity, by way of an all-weather road to the unconnected habitations of the rural areas. The *Pradhan Mantri Gramodaya Yojana* was launched in April 2000 for helping the rural poor in the construction of dwelling units. For the infrastructure creation and wage employment generation, a new scheme namely, *Jawahar Gram Samridhi Yojana*, which was a streamlined and comprehensive version of *Jawahar Rozgar Yojana*, was launched in April 1999. The National Social Assistance Programme came into force from August 1995. It aimed at providing social assistance to the poor households in the rural areas.

Though it is too early to assess the working of these new programmes, the mere fact that most of these new programmes are improved versions of old ones points to the truth that despite this plethora of programmes the problem of rural poverty, unemployment, underemployment and backwardness of agriculture in majority of the states are still with us after many years of Independence.

**Activity 2**

Visit the nearest Block Development Officer of your village or any other village and find out from her/him about all the rural development projects launched for the village. Talk to a few villagers and find out

- a) for whom the programmes were launched
- b) who has benefited most by them
- c) what visible changes have the projects brought for the socio-economic development of the village.

Then write a report in about three pages on the basis of the information you have gathered. Compare, if possible, your report with those written by other students at your Study Centre.

### 10.5.4 Impact of New Economic Policy on the Rural Economy

Since 1991 Indian economy has been exposed to economic liberalisation and globalisation in line with structural adjustment and stabilisation policies initiated by International Monetary Fund (IMF) and the World Bank. Structural adjustment policy advocated privatisation, import liberalisation and export-led growth and while stabilisation policy emphasises reduction in fiscal deficit through withdrawal of subsidies given to industry, trade and agriculture. There has been a shift in the Indian economic policy from State-oriented development strategy to market oriented development, leaving the decisions of production and distribution to the market signals (Parthasarathy 2003). The impact of the economic reforms on the rural economy has been in varied forms.

The reform measures such as the reduction in fiscal deficit, reduction of subsidies, devaluation of rupee, export orientation and reduction of agricultural credit adversely affected the rural poor especially in terms of food security, which relates with production, distribution and pricing of the food-grains. The agricultural sector was worst affected by the fiscal contraction, which invariably resulted in a disproportionate cut in capital expenditure (Teltumbde 1996). Agricultural sector is the mainstay of the rural Indian economy around which socio-economic privileges and deprivations resolve and any change in its structure is likely to have a corresponding impact on the existing pattern of the social equity. The shrinkage of the flow of resources to the rural sector, a misconceived interest rate policy which discriminated against agriculture, a sickening rural delivery credit system, the emergence of a new banking culture nurtured by reforms, which is far from friendly to agriculture and rural development, all go against the interests of rural economy (Majumdar 2002).

The bank credit to the agriculture as a per centage of net bank credit fell consistently to 12.4 per cent in March 1995 from 17.4 per cent in March 1990. The flow of financial resources to agriculture, both in terms of long-term capital and working capital declined sizeably. It has had an adverse impact on agricultural industries and in turn on rural employment (Mundle 1993). There has been a cut in the bank credits to the non-agricultural industries as well. In 1992, the rural workers in secondary and tertiary sectors showed a decline of 6.3 per cent and 1.3 per cent respectively from the pre-Reform

level in 1989-90. Curiously, the primary sector showed a hefty increase of 10.1 per cent in the same period. In rural area nearly 50 per cent farming households have less than 1 acre land. For meeting the two ends they need supplementary work in non-agricultural sector. In absence of this work however, they end up engaging themselves with the sundry work related to their tiny farms and declare themselves as the agriculture workers. This increase in the primary sector jobs thus indicates partial unemployment of workforce. The decline in non-agricultural jobs and the overall employment are attributed to the cut in the government expenditure on various poverty alleviation programmes, during the reform period (Joshi and Little 1996: 238-239).

After one full decade since the inception of the economic reforms, the grim performance of the agricultural sector made the Union government to rethink its approaches to the rural development. This is clear from the statement of the finance minister made in the parliament, “it is my firm belief that sustained and broad-based growth of agriculture is essential for alleviating poverty, generating incomes and employment, assuring food security and sustaining a buoyant domestic market for industry and services” (Union Budget 1999-2000).

**Check Your Progress 4**

- i) What do you understand by Community Development Programme? Use five lines for your answer.

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- ii) Tick mark the correct answer.  
Which of the following governmental programme is meant for the generation of gainful employment for the rural poor?

- a) *Swarnajayanti Gram Swarozgar Yojana*
- b) *Sampoorn Grameen Rozgar Yojana*
- c) *Jawahar Gram Samridhi Yojana*
- d) All of the above

- iii) Write in seven lines the impact of the economic reforms on the agricultural sector.

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## 10.6 LET US SUM UP

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In this unit we have discussed the rural economy of India as obtained at different periods of time. We began our discussion with an outline of the main features of a rural economy. We then proceeded to describe the nature of the rural economy during the traditional period. In this period (comprising the ancient and medieval periods) we observed that there was a healthy inter-linkage between agriculture and the village cottage industries. During the colonial period we noted that the balance between agriculture and cottage industries was upset by the British economic policy. De-industrialisation, new land revenue settlements and commercialisation of agriculture were some of the features of the colonial economic policy. We also observed that the reciprocal system of exchange that existed between different castes in a village (the *jajmani* system) was affected by the economic measures introduced by the British in India. In our discussion of the rural economy since Independence we focused on land reforms, green revolution and rural development programmes. In the last sub section (10.5.4) we discussed the impact of economic reforms on the rural economy.

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## 10.7 KEYWORDS

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**Green Revolution** The Green Revolution signifies very important biological and mechanical innovations made in agriculture which is reflected in the use of high yielding variety of seeds, chemical fertilisers, tractors, pump sets etc. It first occurred in Punjab, Haryana and western Uttar Pradesh and gradually spread to specific pockets in some other states. It has led to significant increase in agricultural production and cropping intensity.

**Jajmani System** Traditionally, the *jajmani* system was an important social institution in rural India. This system bound together the landowning upper castes and the service castes and menial workers belonging to the lower castes in an enduring bond of economic, social and ritual relationship. This contained both the elements of reciprocity and dominance. The system has significantly declined in modern period.

**Land Grants** The origin of land grants goes back to the Satavahanas (235 B.C.-A.D. 225). But it became common during the Gupta period and onwards. Grants of land and villages were made by the King and their feudatories both to the Brahmins and government officials. The donees collected land rent from the peasants without any obligation of sharing it with the ruler. They were

also granted administrative rights in their areas. Thus, they were economically, socially and politically dominant in their domains without any effective control by the ruler. This reflects the feudal character of Indian society.

### Subinfeudation

The phenomenon of subinfeudation was an important consequence of the colonial system of land revenue settlement in India. Under the system the *zamindar* had the right to collect land revenue from the peasants and pay a fixed share to the British rulers retaining the rest for themselves. However, *zamindar* sublet their right of revenue collection to other people who also entered into similar agreement with others each having a share in the land revenue. Thus, there developed a chain of intermediaries between the estate and the actual cultivators. This is known as subinfeudation.

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## 10.8 FURTHER READING

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Beidelman, T.O., 1959. *A Comparative Analysis of the Jajmani System*. J.J. Augustin Inc.: New York

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Desai, A.R., 1987. *Rural Sociology in India*. Popular Prakashan: Bombay

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Shah, Ghanshyam and Shah, D.C. 2002. *Performance and Challenges in Gujarat and Maharashtra*. Volume 8 of Land Reforms in India series. Sage Publications: New Delhi

Srinivas, M.N., 1978. *India's Villages*. Media Promoters and Publishers: Bombay

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## 10.9 SPECIMEN ANSWERS TO CHECK YOUR PROGRESS

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### Check Your Progress 1

- i) c
- ii) b
- iii) a) \_\_\_ d)  
b) \_\_\_ c)  
c) \_\_\_ a)  
d) \_\_\_ b)

- iv) The two broad classes which comprised the rural population during the medieval period were i) the big landholders and ii) masses comprising peasants, artisans and landless labourers.

### Check Your Progress 2

- i) b  
 ii) a) = c)  
     b) = a)  
     c) = b)  
 iii) a

### Check Your Progress 3

- i) The four major steps have been  
 a) abolition of the *Zamindari* system,  
 b) tenancy reforms which aimed at providing security of tenure, reduction of rent and facilitating the tenant cultivators to acquire ownership rights,  
 c) ceilings on family landholdings, and  
 d) consolidation of fragmented landholding of landholders.
- ii) The Green Revolution is a process of change involving important biological and mechanical innovations in agriculture. Cultivation uses high yielding variety seeds, high doses of chemical fertilisers, abundant supply of water for irrigation and modern implements like tractors, threshers, tubewells, pumpsets etc. to cultivate the land.
- iii) The impact of Green Revolution has been  
 a) increased crop intensity, output and productivity of agriculture,  
 b) increased demand for agricultural labourers,  
 c) increase in disparities in agricultural production between regions, and  
 e) differentiation within the peasant class.

### Check Your Progress 4

- i) In the early 1950s the government started some programmes for the development of the rural areas with a special emphasis on economic growth and minimum all round development of the whole of the rural community with the help of the rural participation.
- ii) d
- iii) The policy decisions such as the reduction in the fiscal deficit, reduction of subsidies, devaluation of rupee, export oriented production and reduction of agricultural credit adversely affected the agricultural sector and the rural poor. The decline in the flow of the financial resources to agriculture both in terms of long-term capital and working capital had accentuated the problems of the agricultural industries and in turn rural employment.

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## UNIT 11 URBAN ECONOMY

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### Structure

- 11.0 Objectives
- 11.1 Introduction
- 11.2 Features of an Urban Economy
- 11.3 Traditional Urban Economy
  - 11.3.1 Ancient Period
  - 11.3.2 Medieval Period
- 11.4 Colonial Urban Economy
  - 11.4.1 Destruction of Urban Handicrafts
  - 11.4.2 Growth of Modern Industries
  - 11.4.3 New Social Classes
- 11.5 Urban-Economy after Independence
  - 11.5.1 Industrial Policy and its Impact
  - 11.5.2 Organised and Unorganised Sectors
  - 11.5.3 Urban Social Classes
  - 11.5.4 Caste and Occupation
- 11.6 Let Us Sum Up
- 11.7 Keywords
- 11.8 Further Reading
- 11.9 Specimen Answers to Check Your Progress

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### 11.0 OBJECTIVES

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After going through this unit on India's urban economy you will be able to

- explain features of an urban economy
- describe the traditional structures and processes of urban economy
- outline the impact of the colonial rule on urban economy
- examine the developments in urban economy after Independence.

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### 11.1 INTRODUCTION

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In unit 10 we dealt with the main features of India's rural economy. In unit 11 we will discuss its urban economy. We begin the unit with a brief introduction to the concept of economy.

In section 11.3 we discuss traditional urban economy in a historical perspective. Ancient period concerns the issues of urbanisation, occupational structure, trade and commerce, the **guild system**, social classes, and their relationship. Medieval period also covers identical issues in addition to the system of large-scale production in **royal karkhanas** or workshops. Section 11.4 deals with the

impact of colonial economy. Here, we witness the destruction of traditional urban economy and stunted growth of modern industries. The latter led to the emergence of capitalist economy and new social classes, namely, the capitalist class and the industrial working class.

The focus of section 11.5 is centred on the developments in urban economy after Independence. Here, we have taken up the issues of the industrial policy of the Government of India and its impact on **organised and unorganised sectors** of urban economy, social classes and the problem of dissociation of caste from traditional occupations.

## 11.2 FEATURES OF AN URBAN ECONOMY

The concept of economy can be understood in terms of economic structures and processes relating generally to production, distribution and consumption of material goods and services. Economic structures deal with institutional network under which production of goods and performances of services are organised. The mode of organisation of goods and services gives rise to various groups and classes. Social resources are distributed amongst them in an even or uneven manner. Against this broad framework we shall discuss the issues related to Indian urban economy. Before we outline the issues, let us clarify the meaning of the term urban.

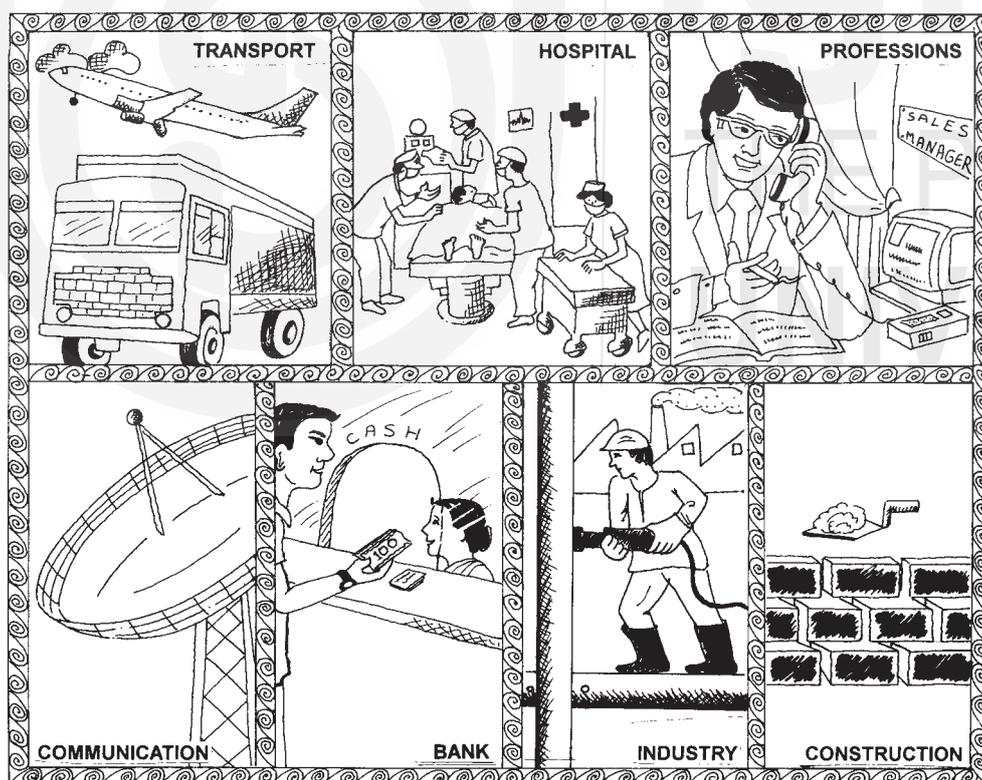


Fig. 11.1: Urban economy

In Block 1, unit 5 of this course we have already discussed the meaning and important features of urban social structure. To recapitulate, urban relates to or constitutes a city or a town. Several criteria, such as demographic, ecological and socio-cultural attributes are used to identify an urban area. Social scientists

emphasise that the important feature of a city is the presence of a market and a specialised class of traders in it. Other religious, political, economic, technological, and complex administrative structures found in a city complement the trade and commerce network. Thus, it is the flux of market economy and commerce, which brings together people of different socio-cultural backgrounds in an urban area. An urban economy is clearly demarcated from the rural economy due to the predominance of industrial and service sectors in it, as against the predominance of agricultural sector in rural economy, keeping these points in mind, we will discuss specific issues like industrialisation, trade and commerce and technological development in our description of urban economy (see figure 11.1). We begin this account by discussing the traditional urban economy in ancient and medieval periods of Indian history.

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## 11.3 TRADITIONAL URBAN ECONOMY

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Traditional patterns of urban economy in India cover both the ancient and medieval phases. Let us now look at the ancient phase.

### 11.3.1 Ancient Period

Urban economy has been an integral part of Indian economy since ages. The earliest Indian civilisation i.e. the Indus Valley Civilisation (c.2600-1500 BC) is known as a well-developed urban civilisation which had a broad rural agrarian base. Archaeological excavations have revealed that many cities and towns flourished in the Indus valley, e.g. Harappa and Mohenjodaro (now in Pakistan), Lothal, Kalibangan, Banwali (in India).

But the onset of the Rigvedic phase (c. 1500-1000 BC) marks a complete break with the earlier urban civilisation. The Rigvedic people lived a semi-nomadic and pastoral life. Gradually, they settled in villages and agriculture became their main occupation during the later Vedic-Period (c. 1000-600 BC). We hear of sixty towns in the contemporary literature, including the famous ones such as Rajagriha, Pataliputra, Sravasti, Kausambi, Varanasi etc. Towns and cities continued to prosper during the Maurya and post-Maurya phase and even under the Gupta dynasty. But the country had to undergo a process of urban decay in the post-Gupta period. This trend got reversed only from the ninth century onwards. Let us now look at certain aspects of the urban economy during this period, relating to trade and commerce, arts and crafts, guild system and social classes.

#### i) Trade and Commerce

As we know non-agricultural occupations are the predominant feature of urban economy. Trade and commerce are important activities. Evidences of both external and internal trade in the ancient period are found in the contemporary literature and archaeological remains. Trade and commerce witnessed both the periods of prosperity and decline.

Same was the case with regard to towns and cities in ancient India. Internal trade was carried on by merchants in urban manufactures and food-grains. The use of metallic coins since the age of Buddha promoted economic transactions. India's network of external trade covered distant lands, e.g., Rome, Arabia, Persia, China and south-east Asia. Luxury goods were the main items

of foreign trade. They comprised the products of crafts such as fine handicraft goods, ivory objects, pots etc. Foreign trade was in favour of India. The Roman writer Pliny was forced to lament that Rome was being drained of gold on account of her trade with India (Sharma 1983: 144).

#### ii) Arts and Crafts

Another important aspect of the ancient urban economy was the practice of various arts and crafts in which a large number of people were engaged. This included woodworkers, smiths, leather-workers, potters, ivory workers, weavers, painters etc. These craftsmen were socially organised into various castes. Elders trained the younger members in hereditary caste occupations.

#### iii) Guild System

A remarkable feature of the organisation of urban economy was the prevalence of the guild system (*sreni*). As against the *jajmani* system in the rural economy urban craftsmen and traders had formed craft and trade guilds. Members of a particular guild belonged to the same craft or trade. There were guilds of potters, smiths, weavers, ivory etc. These guilds played a very important role in organising production and in shaping public opinion (Thapar 1976:109). The vast majority of artisans joined guilds because these bodies provided them security from competition as well as social status. The guilds fixed rules of work and the quality of the finished product and its price to safeguard both the artisan and the customer. They also controlled the prices of manufactured products.

Various guilds were localised in different areas of towns as per their specialisation. The guilds were headed by their respective heads called *bhojaka* who were assisted by a small council of senior members. The guild court controlled the conduct of guild members through enforcing customary usages of the guild (*shreni-dharma*) which had the force of law. The leaders of the guild were very powerful in urban life. They were respected by the rulers.

There were also other types of workers bodies such as workers' cooperative, of which *Puga* was well known. *Puga* included artisans and various craftsmen associated with a particular enterprise. For example, the construction of cities and temples was carried over by cooperatives, which included specialised workers like architects, engineers, brick-layers etc.

Moreover, the guilds also acted as a banker, financier and trustee. People deposited money with the guilds and got interests in return. But generally these functions were performed by a different category of merchants, known as the *sreshthins* or financiers (Thapar 1987: 112).

#### iv) Social Classes in Ancient India

Now, we can move on to the question of urban social classes. The king and nobles, priests, traders, administrators, military personnel and other functionaries lived on taxes, tithes and tributes collected from urban as well as rural areas. Panini indicates that the king and richer section of urban population employed as many as a dozen varieties of attendants to take care of their personal comforts (Sharma 1983: 126). They lived a life of luxury and pleasure. According to Vatsyayana, they resided in beautiful houses, enjoyed music and played with courtesans at night (Bhattacharya 1988: 189-90). But the common urban people

comprising the artisans, labourers, servants and slaves had to cater to the needs of the privileged class and lead a hard life for themselves.

**Check Your Progress 1**

- i) Tick the right answer of the following questions.  
Which of the following does characterise the urban economy of India?
  - a) The dominance of agricultural sector
  - b) The dominance of industrial and service sectors
  - c) Only the service sector
  - d) None of these
- ii) What kind of occupations did members of an ancient guild belong to?
  - a) Similar
  - b) Different
  - c) Agricultural
  - d) None of above
- iii) Describe the guild system (*sreni*) in ancient India in about seven lines.

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**11.3.2 Medieval Period**

The medieval period was marked by the development of towns, cities and industries, trade and commerce etc. In this section we shall talk of these as well as the organisation and technology of production and social classes in medieval India.

**i) Growth of Towns, Cities and Industries**

India witnessed a spurt in urbanisation during the medieval period. A large number of administrative, military, manufacturing and trading centres flourished during this period. There were big cities and towns such as Delhi, Daulatabad, Cambay, Broach, Lakhnauti, Agra, Fatehpur Sikri, Lahore, Dacca etc. Of the Sultanate period, Ibn Batuta says that Delhi was enormous in size, large in extent and great in population, the largest city not only in India but the entire Islamic East (Raychaudhuri and Habib 1982: 82). Ralph Fitch who came to India during the Mughal rule, observed that Agra and Fatehpui Sikri were each larger than London (Raychaudhuri and Habib 1982: 262).

In these towns and cities many industries were considerably developed during this period, e.g., textiles, metal-work, stone-work, leather-work, sugar, indigo, paper. Minor industries included ivory work, coral work, imitation jewellery etc. Textile manufacture was the biggest industry. It comprised production of cotton cloth, woollen clothes and silks. The allied industries of embroidery, gold thread work and dyeing were also carried on in many cities.

## ii) Trade and Commerce

Trade and commerce was conducted on an extensive scale. Surplus grain from the countryside was generally carried to the neighbouring towns or transported to a *mandi* (or market town) for distribution all over the country. Agricultural raw materials like cotton and indigo were also brought to towns for manufacturing various goods, e.g., cloth, dye etc. Urban industrial goods were usually made for sale in a suitable market.

Some merchants specialised in wholesale trade and others in retail trade. The former was called Seth or Bohra and the latter Beopari or Banik. In South India, Chetti formed the trading community. The Banjara or the nomadic people moved from place to place with a large stock of foodgrains, salt, ghee etc. The Sarraf specialised in changing money, keeping money in deposit or lending it, or transmitting it from one part of the country to the other by means of *hundi* which was a letter of credit. There were Sahu (moneylenders) and Mahajan (bankers) who advanced loans to support commercial undertakings but their main business was to lend money at most profitable rate of interests.

Foreign trade was also considerable during this period. Indian exports comprised a variety of indigenous products such as textiles (especially cotton), agricultural produce, precious stone, indigo, hides, cornelians (a kind of gemstone), spikenard (an aromatic Indian plant, also refers to the ointment made from this plant), opium and even slaves. But the articles of import consisted of certain luxury goods like articles of silks, velvets, furnishings and decorations in addition to some metals e.g., gold, silver and copper. All kinds of horses and mules were also imported. India was connected with Damascus, Alexandria and the Mediterranean countries through the Arab merchants. Indian goods also reached the East African coast, Central Asia, Afghanistan, Persia, Malay Islands and China. Marwari and Gujarati many of whom were Jain, were engaged in coastal trade and trade between the coastal parts and north India. The Muslim Bohra merchants, Multani and Khurasani participated in trading activities.

## iii) Organisation of Production

Now we will come to the mode of organisation of production, which made possible trade and commerce on an extensive scale. In fact, there were no factories or large-scale industrial enterprises in the modern sense of the term (Ashraf 1988: 124). Family was the basic unit of production. Each caste comprising a number of family units specialised in a particular art or craft. A process of continuous proliferation of artisan castes met the demands of increasing diversity of goods and specialisation. The artisan castes were localised in different parts of cities and towns.

Usually, the traders bought their goods from artisans for sale in the market. Sometimes the producers also sold their goods independently in periodical

fairs. In some places enterprising businessmen engaged a number of craftsmen to manufacture articles under their own supervision. The royal workshops known as *Karkhana* also employed large number of craftsmen to meet the needs of the royal establishment. Moreover, for certain specific purposes such as construction of magnificent buildings, shipbuilding and extraction of minerals a variety of specialised craftsmen and workers worked together. But such units of production were ad hoc in-nature.

#### iv) **Technology of Production**

Further, the technology of production was backward and almost stagnant in comparison with other advanced contemporary civilisation such as Western Europe and even China. For example, India's world famous textiles were produced without the use of multi-spindle wheels known to China and the water-powered throwing mills with 200 spindles of the Italian silk industry. India did not know the use of coal and had no proper cast-iron. There was no familiarity with the techniques of deep mining. The chemical industry was primitive. Though the manufacturing sector met most of the internal needs and produced for a considerable foreign trade, this was achieved within a framework of relatively stagnant and backward technology. Raychaudhuri and Habib (1982: 291-5) rightly observe that the overall picture was surely not of any distant announcement of industrial revolution.

#### v) **Social Classes in Medieval India**

Medieval urban society of India comprised two broad social classes. The emperor, nobles and rich merchants formed the privileged class. Their standard of living was very high. The imperial household set the standard of conspicuous consumption, which was emulated by the nobles. The royal family lived in magnificent palaces. A large number of servants and slaves were employed to take care of the royal comforts. Alauddin Khilji had 50,000 slaves and Feroze Shah Tughlaq had collected 1,80,000 slaves. Most of the articles of royal use were worked in gold, silver, costly embroidery and jewels. Similarly, the nobles and wealthy merchants lived an ostentatious life. They had large and beautiful houses, used very costly articles of apparel and kept a large mass of servants, slaves and retainers.

On the other hand, the common urban people comprising artisans and craftsmen, servants and slaves, foot-soldiers and petty shopkeepers lived a life full of misery, oppression and exploitation. Some artisans were protected by kind patrons. But ordinary artisans were underpaid, flogged and kicked by the minions or assistants of nobles and traders alike (Raychaudhuri and Habib 1982: 297). Both male and female servants and slaves performed specialised functions in domestic and non-domestic services of the privileged class. They were also used as an object of display. Payments to the servants were very low. Slaves were very cheap, even cheaper than animals. A woman slave for domestic work cost from 5 to 12 *tanka* (the monetary system introduced in medieval India), a concubine, 20 to 40; untrained slave boys, 7 or 8 *tanka*; and trained slaves, 10 to 15 *tanka* during Alauddin Khilji reign. However, the most inferior horse (*tattu*) was priced at 10 to 25 *tanka* and a *milch* buffalo cost 10 to 12 *tanka*. Moreover, the slaves were treated as chattels. To be freed by the master was an act of commendable charity but for the slaves themselves to flee was a sinful assault on private property (Raychaudhuri and Habib 1982:

92). Thus, there was a glaring disparity between the privileged ruling classes who maintained a highly ostentatious life-style and the poor people lived in misery and suffered from oppressions and exploitation.

In the next section on colonial urban economy, we will see how the traditional urban economy in India changed its character under the impact of colonial rule of the British.

**Check Your Progress 2**

i) What were the two marked features of medieval urban economy? Use three lines for your answer.

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ii) Tick the right answer of the following question.

What was the main feature of the mode of organisation of production in medieval India?

- a) Large scale modern industrial enterprises
- b) Family as the basic unit of production
- c) Huge factories
- d) All of the above

iii) In about six lines describe the state of technology of production during the medieval period.

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iv) What was the condition of servants and slaves in medieval urban economy? Use six lines for your answer.

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## 11.4 COLONIAL URBAN ECONOMY

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Though various European trading companies came to India, it was the British East India Company, which succeeded in establishing colonial rule over the country. In the beginning they carried on trade with the permission of and under the patronage of Indian rulers. They were obliged to bring bullion from their countries to India for exchange with Indian goods. But the British victory at the Battle of Plassey in 1757 marked a watershed in Indian history. The British gradually expanded their colonial rule over more and more territories in India and drained out the country of its huge wealth. The flourishing urban handicrafts collapsed. Later some modern industries were set up on capitalist lines, which led to the growth of new social classes in India. In this section we shall focus on destruction of urban handicrafts, growth of modern industries and the new social classes which emerged during this period.

### 11.4.1 Destruction of Urban Handicrafts

During the colonial rule, there was a sudden and quick collapse of the urban handicrafts for which India was famous all over the world. The urban industries that rapidly declined included textiles, shipping, iron-smelting, paper, glass, metals, tanning, dyeing etc. There were various factors responsible for this. The disappearance of the native states lowered the demand of urban handicrafts. But the discriminatory policies followed by the colonial rulers proved disastrous. They imposed heavy duties on import of goods from India to England. They followed a policy of one-way free trade, to facilitate invasion of India with British manufactured goods. Official patronage to British goods and the policy of exporting raw materials from India for feeding British factories and introduction of railways badly hurt Indian handicrafts. The severity of British oppression and exploitation of the urban craftsmen compelled them to abandon their ancestral possessions and occupations. Indian handicrafts made with backward techniques could not compete with machine made cheap goods from England, which flooded the Indian market.

Thus, deprived of both external and internal markets, the handicraft industries declined and almost collapsed by 1880. Gadgil (1984: 45) observes that India in the eighteen eighties afforded the spectacle of a huge country with decaying handicrafts, with any other form of organised industry almost non-existent and a consequent falling back upon land. Hence, India was de-industrialised and further ruralised. The poverty of the people aggravated. William Bentinck, the Governor-General of India, reported as early as 1834-35, "The misery hardly finds a parallel in the history of commerce. The bones of the cotton-weavers are bleaching the plains of India" (quoted in Chandra 1977: 184).

### 11.4.2 Growth of Modern Industries

Some of the traditional urban industries, which survived to some extent, had to undergo numerous organisational changes. But the most important development from organisational and technological point of view in India's urban economy started in the second half of the nineteenth century when large-scale machine based industries were set up in the country. These industries were capitalist in nature. The private owners of factories employed large number of workers under one roof. The production was aimed at maximisation of profit and manufactured goods were sold in the market.

In the 1850s cotton textile, jute and coal mining industries were established which marked the beginning of the machine age in India. There was a continuous but slow expansion of these industries. A number of other mechanical industries developed in the second half of the nineteenth and the beginning of the twentieth centuries, i.e., cotton gins and presses, rice, flour and timber mills, leather tanneries, woollen textiles, paper and sugar mills, iron and steel works, and such mineral industries as salt, mica and saltpetre. During the 1930s, cement, paper, matches, sugar and glass industries developed.

Two things are worth noting regarding the growth of modern industries. Firstly, the growth of the modern industries was controlled mainly by the foreign managing agencies. Foreign capital was formed as against Indian capital. Secondly, modern industrialisation had some unintended consequences on the economy of India. Let us explain these two points in a little more detail.

#### i) **Foreign Capital**

However, growth of all these industries was exceedingly slow and very stunted. Most of them were owned or controlled by British capital. The plantation industries such as indigo, tea and coffee were almost exclusively under European ownership. The Indian capitalists had a large share in certain industries, e.g., cotton textile and sugar. But generally they were controlled by foreign managing agencies. Moreover, the colonial government followed a deliberate policy of favouring foreign capital as against Indian capital. No protection was provided to infant Indian industries as done in the West, including Britain. India lacked capital goods industries like steel, metallurgy, machine, chemical and oil, which could have provided a strong base for further industrialisation of the country. In addition, the industrial development was extremely lop-sided regionally. Industries were concentrated in a few regions and cities. Large areas of the country remained completely underdeveloped. As Amiya Bagchi (1980: 442) has rightly observed the economy of India remained poor, basically agricultural and colonial.

#### ii) **Consequences of Modern Industrialisation**

Despite all these crippling drawbacks, modern industrialisation played a very important role in one sense in India. There developed a unified national economy as a result of introduction of the modern factory system of production, commercialisation of the economy and the spread of modern transport system. Desai (1987: 124) observed that Indian economy became more unified, cohesive and organic.

#### **Activity 1**

In your daily life you use several manufactured goods and products like, tea, coffee, cooking oil, tools, newspaper etc. find out and list at least five items which are produced by companies initially founded by the British capital. Check if possible, your list with those prepared by other students at your Study Centre.

### **11.4.3 New Social Classes**

The growth of modern industries in India during the colonial rule gave rise to two important social classes of the contemporary society, i.e., the capitalists or

the **bourgeoisie** and the working class or the **proletariat**. These classes were completely new in Indian history. Though they formed a very small part of the Indian population, they represented new technology, a new system of economic organisation, new social relations, new ideas and a new outlook (Chandra 1977: 193). They were national in character. They were integral parts of a single national economy and polity. They had a wide social base to organise on an all-India level for furthering their interests (Desai 1987: 214). Now let us look at the classes that emerged during this period.

i) **The Capitalist Class**

The capitalist class comprised industrial, commercial and financial capitalists. They owned and controlled the means of production and distribution of goods. Their main objective was to maximize profit on the capital, which they invested in industry, trade and finance. Exploitation and oppression of the working class enabled them to increase their assets and maintain a high standard of living.

Dominant capitalists in colonial India were of British origin. But Indian capitalists also had gained considerable share in various enterprises. The traditional Indian business communities did survive and even flourish during this period. This group included the Marwari bania, the Jain, the Arora, the Khatri and the Chettiar. But their position was secondary in relation to the British capital. In the beginning, they served as dependent traders of the British in the capacity of agents of British export-import firms. They also thrived as money-lenders. Gradually they started channelling their accumulated capital in developing indigenous capitalist industries, e.g., textile and sugar.

ii) **The Other Classes**

There were also two more classes in urban areas. The class of petty traders and shopkeepers were bound up with modern capitalist economy. As a result of new system of education and administration, an educated middle class had emerged consisting of the professionals such as lawyers, doctors, professors, journalists, clerks etc.

**Check Your Progress 3**

i) Tick the right answer of the following questions.

Which of the following characterises colonial urban economy of India?

- a) Destruction of traditional handicrafts
- b) Growth of new classes of the bourgeoisie and the proletariat
- c) Beginning and development of modern industries
- d) All of these

ii) What was the reason for the de-industrialisation of Indian economy?

- a) Indians refused to produce goods for the British.
- b) The policy of the British rulers was such that they exported raw materials from India and flooded the Indian market with their own manufactured goods.

- c) The Indian craftsmen became poverty stricken and were not able to get the raw materials.
  - d) The Indian goods were not of very good quality.
- iii) What was the unintended consequence of modern industrialisation in India?  
Answer the question in about six lines.

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## **11.5 URBAN ECONOMY AFTER INDEPENDENCE**

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Urban economy after Independence saw a series of changes. Some of these changes were unintended but most were due to planned socio-economic reforms introduced by the new government. Let us focus on the following features of urban economy after Independence.

- Industrial policy and its impact
- Form and organisation of urban industries in both the organised and the unorganised sectors
- Social classes
- The relationship between caste and occupation in urban India since Independence

### **11.5.1 Industrial Policy and its Impact**

The industrial policy of the government of India after Independence aimed at economic development of the country through rapid industrialisation. It was realised that basic industries had to be set up which would curtail foreign dependence and help in achieving economic self-sufficiency. The problem of social and regional inequalities also had to be resolved through the establishment of a ‘socialistic’ pattern of society.

For describing the industrial policy and its impact it seems appropriate to review the following aspects.

- i) Mixed economy
- ii) Government regulation of industrial development
- iii) Gradual decontrol of industries
- iv) Government policies and industrial development
- v) New economic policy

i) **Mixed Economy**

The concept of '**mixed economy**' provided the framework under which the task of economic and social development was to be achieved. 'Mixed economy' meant co-existence of both the public sector (owned and controlled by the government) and the private sector (owned and controlled by individuals or families or private bodies) in the national economy. Accordingly, the government classified industries into three categories. The state assumed the exclusive responsibility of the industries included in the first category. In this category, there were seventeen groups of industries e.g. arms and ammunitions, atomic energy, iron and steel, heavy machine building, heavy electricals, minerals, railway, shipbuilding, telephones, electricity etc. The second category comprised industries which had to be progressively state owned, but in which private enterprise also was expected to supplement the efforts of the State. They included twelve industries such as machine tools, essential drugs, fertilisers and road transport. In the third category lie the rest of the industries, including consumer goods industries and their development had been left to the private sector (Government of India 1987: 419). Thus, the industries, which are of basic and strategic importance or in the nature of public utility services, are placed in the public sector. They required large investment, involved long gestation period and could yield delayed return. This could be afforded only by the State. The private sector grabbed the consumer goods industries giving quick profits on investment and involving negligible risks, if any. Let us see how the government regulated the industrial development in India.

ii) **Government Regulation of Industrial Development**

The Government guided the overall industrial development in the country through adopting resolutions and licensing policy, making policy statements and the five-year plans. The Industries (Development and Regulation) Act of 1951 made it essential for the private sector to take license from the government to set up new industrial units or effect substantial expansion of existing plants. This enabled the government to lay down conditions regarding location of industries, minimum size, etc. The Act also empowered the government to give instructions to industries for rectifying drawbacks if they had any. The government could also prescribe prices, methods and the volume of production and channels of distribution. Further, the Monopolies and Restrictive Trade Practices Act (MRTP) was passed in 1969 to prevent the concentration of economic power in the hands of big business and trading houses to the common detriment. The Foreign Exchange Regulation Act (FERA) was also enacted to control imports and keep the balance of payment situation under reasonable limit.

iii) **Gradual Decontrol of Industries**

Gradually, there occurred a shift in the industrial policy of the government. The Industrial Policy Statement of 1973 permitted large native private business houses and foreign companies to take part in the establishment of unreserved core industries. In 1975 the government delicensed twenty-one industries and allowed expansion of foreign companies and monopoly houses in thirty other important industries. In 1980, further expansion of the private sector was encouraged through regularisation of unauthorised excess capacity. Before 1980 the government had set a certain limit of production for the private sector

industries. Therefore, the excess production, which these industries made or had, the potential to make was not legally allowed. After 1980 the government, allowed these industries to produce in excess in order to encourage their growth and development.

Further, after 1984 the industrial licensing policy became more liberal. The asset limit of MRTP companies has been raised from rupees twenty crores to rupees one hundred crores. Twenty-three industries have been delicensed for MRTP and FERA companies. A forty-nine per cent rise in capacity has been permitted for undertaking modernisation. Nearly two hundred reserved items have been dereserved and made open for the medium and large-scale sector. Emphasis in the public sector has been on optimum capacity utilisation, and not on expansion. Thus, now the industrial policy is clearly oriented in favour of the large and medium enterprises in the private sector. The growth of the public sector has been reduced. Some of the protections granted earlier to the small-scale industries have been withdrawn.

#### iv) Government Policies and Industrial Development

India has witnessed considerable industrial development after Independence. A number of basic and critical industries have developed which were almost non-existent or very weak during the colonial period.

Take for example the iron and steel industries, heavy machines and tools and heavy electricals etc. They have provided a strong base for further industrialisation of the country. Self-sufficiency has been attained in the production of many goods and performance of various services. A significant change has taken place in the nature of import. There is a shift from import of commodities to import of technical know-how in this area.

The public sector has expanded rapidly in terms of investment, turnover, capital formation, export, import substitution and the range of products. The number of enterprises in this sector has increased from 5 in 1951 to 221 in 1985 and the investment in public sector has increased from rupees 29 crores to 42,811 crores during the same period (Government of India 1987: 429). This has been further increased to 2,74,114 crore in 242 enterprises by the year 2001 (Government of India 2003: 538). Now the public sector produces diverse goods of great importance e.g. steel, coal copper, aluminium, engineering products, fertilisers, basic chemicals, drugs, petroleum products, minerals, locomotives, aircrafts and ships. In 1997, the government had identified eleven Public Sector Enterprises (PSE) as *Navratnas* and decided to give enhanced powers to the Board of Directors of these PSUs to facilitate their becoming global players. Two of these, namely, IPCL and VSNL have since been privatised and from August 2000 onwards there were only nine *Navratna* PSEs (Government of India 2003: 539).

The dominance of the private sector did not decline even though the public sector had initially expanded rapidly. The private sector produced a variety of consumer goods. It contributed about seventy-six per cent of net domestic product (1982-83) and constituted over ninety per cent of the total employment in the country, which, of course, included employment in agriculture. Further, the number of private sector companies had increased from 29,283 in 1957 to 93,294 in 1984 (India 1986:164). Agriculture was almost entirely under private ownership. The total asset of large industrial houses had increased manifold,

e.g., that of the Birla from rupees 283 crores to 4,112 crores and of the Tata from rupees 375 crores to 3,699 crores during the period 1963 to 1985 (see Table in Datt and Sundharam 1988: 348). Therefore India's economy was not really a mixed economy and to call it a socialist economy would be almost meaningless. In fact, it was essentially capitalist. This issue will be examined further in the next section.

v) **New Economic Policy**

Since Independence the government of India came out with different industrial policies from time to time such as the Industrial Policies Resolutions of 1948, 1956, and policy statements of 1970, 1973, 1980 and so on. The deregulation of the Indian economy began in the 1980s. In the 1980s it was felt that the policy of 'license permit raj' was preventing the blossoming of private initiative and choking the industrial growth. In the mid-1980s began the era of an open economy known as liberalisation, de-licensing and de-control (Chowdhary and Chowdhary 1997: 73). Some of the important measures taken were relaxation of MRTP and FERA companies, delicensing of major industries and provision for incentives for export production.

Following the liberalisation policy of the 1980s the government announced major economic reforms in 1991, known as the New Economic Policy. It stood for the opening up of the economy to the private sector and reduction in government expenditure in social sector. The Economic Reforms launched in July 1991 in India were in response to the economic and political crises that erupted in early 1991 (Prasad and Prasad 1993). The economic crises comprised a steep fall in the foreign exchange reserve, galloping inflation, large public and current account deficits and mounting domestic and foreign debt. In politics, the fall of two governments in a short span of four months, from November 1990 to March 1991; deferment of presentation of the union budget, fairly long political interregnum till the elections etc. reflected an unprecedented chain of crises. These events led to a sharp erosion of confidence in India among lenders, down gradation of India's credit rating and consequently cut off of international credit lines from private or commercial sources and this forced the Indian government to announce major changes in its economic policies. These included new industrial policy, exim policy, exim scripts, a policy for small scale and cottage industries, devaluation of rupee and so on. Among the policies, which aim to liberalise the whole economy, the new industrial policy occupies the foremost place with an aim to raise industrial efficiency to the international level and, mainly through it to accelerate the industrial growth (Misra and Puri 2001).

**Check Your Progress 4**

i) What do you understand by Public Sector Undertaking?

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ii) What are the implications of new economic policy to the industries?

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### 11.5.2 Organised and Unorganised Sectors

We now shift our attention in this section from the discussion on industrial policy to the issue of structure, forms and organisation of urban industries.

Indian urban economy has been seen as dual in nature comprising organised or formal sector and unorganised or informal sector. The organised sector possesses some or all of such characteristics as large-scale operation in terms of capital and labour, wage labour, advanced and modern technology, public and private ownership are found in the organised sector. Regulated and protected markets for labour and output, formal nature of employment and the requirement of formal educational qualification or training in skill for its workers are also some of the other features. On the other hand the unorganised sector enterprises feature small-scale of operation in terms of capital and labour, private or family ownership, labour intensive, backward technology, unregulated market, unprotected labour and easy to start due to usually no need of licence or registration (Satya Raju 1989: 12-13; Aziz 1984: 6-8).

The nature of employment in the organised sector is wage labour. But in unorganised urban sector both wage labour and self-employment are prevalent. Workers are employed on wages in activities like manufacture and repair, construction, trade, transport and other services including domestic service. The areas of self-employment activities comprise hawking, peddling, pushing carts, and plying manual rickshaws and so on.

In India, the Government has mainly emphasised the organised sector for promoting economic development of the country. We shall now look at (i) modes of production, and (ii) small scale industries.

#### i) Modes of Production

Indian economy is characterised as 'multiform' in nature when it is seen from the point of view of the **mode of production** (Medovoy 1984, Shirokov 1980). It comprises both the capitalist and the pre-capitalist forms though the dominant and ascending tendency is that of capitalism.

Before going further in our explanation, we must understand the term 'mode of production'. The concept of mode of production has been described by Marx as comprising of firstly, the forces of production and secondly, the relations of production. The forces of production consist of such items as, the capital, the tools and machinery, raw material, and so on. The relations of production are the relationships between the owners of the means of production and the labourers who sell their labour for wages in the labour-market.

According to Marx, the development of society undergoes different phases in history from primitive, ancient, asiatic, feudal, capitalistic and socialistic to ultimately communist type. With these phases of historical development coincides the development of the different modes of economy. Primitive society had primitive mode of production, and ancient society had slave mode of production. Asiatic society had asiatic mode of production based on agriculture and irrigation. Feudal society had feudal mode of production based on the division of the landlords and serfs. In the capitalist society we have the capitalist mode of production in which the classes of capitalists and workers exist.

This description, given by Marx, of the historical development of societies and the consecutive changes in the mode of production is called historical and dialectical materialism. Thus, when we say that in Indian economy we find both the capitalist and the pre-capitalist form, we mean it only in terms of the mode of production. Indian economy still has some elements of asiatic and feudal modes of production. In this sense the Indian economy is **multi-form** or multi-structural in nature. There is a coexistence of several modes of production.

Large-scale private enterprises are undoubtedly capitalist in character. They employ big size of capital and wage labour and advanced technology of production. They have the inherent capitalist motive of maximising their profit. The public sector enterprises are also essentially capitalist in nature. Though they are owned and controlled by the government, they serve the interests of the private sector through providing them essential capital goods, services and infrastructural facilities.

ii) **Small Scale Industries**

Small-scale industries are divided into three categories (Shirokov 1980:294). The first category comprises domestic and cottage industries producing traditional goods and depending on family labour. They are based on natural raw materials and traditional tools. Though some of them employ semi-finished factory products, their production is meant for local consumption. Therefore, they are largely pre-capitalist in nature and remain outside the network of industrial capital. The second category consists of industries, which produce modern commodities by traditional methods, e.g., hand-weaving, soap-making and match manufacture. These industries utilise factory raw materials, semi-finished products and ancillary materials. But their means of production remain traditional. Hence, they are partially connected with the industrial capital.

The third category includes modern small units and ancillaries. They use industrial sources of power, raw materials, wage labour and modern means of production such as tools and machineries. They supply large-scale industries with certain producer goods. As a result, they constitute an integral part of the reproduction of industrial capital. While the first category is usually found in rural areas, other two categories of industry are spatially located in urban and semi-urban setting.

Thus, the mode of production is heterogeneous in character. But the gradual expansion of capitalist industrial network has made it the dominant mode of production in the national economy over the years. Despite that the significance of the unorganised sector has not declined much in the national economy. Its share in the National Income was 73.4 per cent in 1960-61 and stood at 66.1

per cent in 1979-80 (Breman quoted in Satya Raju 1989: 30). According to 1971 Census, about 91 per cent of the total workforce, as against 92.3 per cent as per 1961 Census, was engaged in various informal sector activities including agriculture. Moreover, some studies of large urban centres, e.g., Kolkata, Mumbai and Ahmedabad have estimated that the employment opportunity in the informal sector was around forty-five per cent of the workforce (Lubell 1974, Joshi and Joshi 1976, Papola 1977). In towns and smaller cities, this ratio must be much higher due to the preponderance of informal sector activities.

According to the 1991 census the per centage of the work force engaged in the unorganised sector is 90.42 per cent and in terms of GDP about 63 per cent value added comes from this sector. As per the survey carried out by the National Sample Survey Organisation in the year 1999-2000 93 per cent of the total workforce is engaged in the unorganised sector (National Sample Survey, 1999-2000).

The economic restructuring set forth in the 1990s as a part of the new economic policy has an impact on both the organised and unorganised sectors of labour in India. The new economic policy, which operates under an open and liberalised economic regime, has emphasised a deregulated regime, with less emphasis on regulation of labour and employment conditions. This has resulted in the casualisation of workers. This is accompanied by the government policies away from the protection of employment through introduction of exit policy, voluntary retirement scheme, national renewal fund and withdrawal of pro-labour legal provisions (Mamkoottam 1994). Industrial activity in organised and unorganised sectors of urban economy has also generated the emergence of social classes. It is therefore necessary to discuss them.

**Check Your Progress 5**

i) Tick the right answer.

What does the concept of ‘mixed economy’ refers to?

- a) The prevalence of the private sector
- b) Existence of the public sector
- c) Coexistence of the public and the private sector
- d) None of these

ii) Why has the nature of Indian economy been described as ‘multi-form’? Describe in about seven lines.

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### 11.5.3 Urban Social Classes

With the increasing rate of industrialisation in India after Independence, the country has witnessed a significant rise in numerical strength as well as bargaining position of the three main urban social classes, i.e., i) the capitalist class ii) the working class and iii) the urban middle class.

#### i) **The Capitalist Class**

The capitalists own and control industrial, trading and financial enterprises. Public sector industrial, trading and financial enterprises largely serve the needs of the private capitalists. The capitalists are guided by the motive of maximisation of their profit. They exploit the workers through paying them less than the value of the products produced by the latter. They use various means like their chamber of commerce and industry, newspaper and journals to safeguard their interests and influence the formulation and implementation of government policy to their advantage. A variety of formal (e.g., Chamber of Commerce) and informal arrangements (such as cocktail parties) knit them together with the dominant strata in politics, bureaucracy, the professionals and so on. Due to their inward looking attitude they try to maintain and strengthen joint family bonds and consolidate their family strength by marriage ties with other business houses. Despite their inherent internal competition and conflicts in the arena of production and services for increasing profits, they stand united for the production of the capitalist system in the country. They exercise a quiet dominance in the life of the country (Saberwal 1978).

#### ii) **The Urban Working Class**

The urban working class consisting of both the wage labourers and self-employed workers is poor, powerless and largely unorganised on class lines. They constitute the exploited class. They are exploited more in the unorganised sector than in the organised sector. The wages of the workers in the unorganised sectors are lower than those in the organised sector. Women workers and children are more exploited in the unorganised sector because they are paid less than the adult male workers. Though the workers in the organised sector have their trade unions for furthering their interests, their affiliation with various political parties with different ideological orientations hinder the growth of unity of the working class. Wide income differentials between the workers in the two sectors, technological heterogeneity and social heterogeneity of workers on the older lines of segmentation (e.g., caste, language, religion) obstruct the process of the development of an all-encompassing working class consciousness and organisation for safeguarding and promoting their interests.

#### iii) **The Urban Middle Class**

In addition to the two major urban classes, the middle class also has increased rapidly after Independence. The members of this class are engaged in a number of professions such as teaching, journalism, law and administration. They are also employed in managerial and supervisory positions in industry, trade and commerce. Though the elite section of this class enjoys all privileges of life, the standard of living of the majority section is of an average quality. This class is socially dispersed and unorganised. Essentially this class does not stand for a radical restructuring of society. But a section of this class has aligned itself with the toiling masses of the people for effecting social transformation.

Before ending this section, we shall also discuss the issue of the creation of new occupational opportunities. This discussion will also include the association of caste with traditional occupations.

### Activity 2

Observe the economic activity in the place where you live in terms of

- a) the number of factories located in your place
- b) the goods manufactured in your place
- c) the number of cottage industries
- d) the number of government owned and the number of private owned industries.

Write a two page report on the topic: "The economic activity in the place where I live".

### 11.5.4 Caste and Occupation

It is generally said that the association of caste with traditional occupation has become very weak in the urban economy as a result of diversification and occupational structure and creation of new occupational opportunities. Moreover, it is also held that the rate of occupational mobility is high in the urban areas. We have some empirical studies on these issues. After discussing the ethnographic material, we will also look at business communities in India.

#### i) Some Case Studies

In his study of the city of Chandigarh, Victor D'Souza (1968) found that the occupational structure of different caste categories was different and it was not consistent to any remarkable degree with the occupational caste hierarchy both in case of the Hindu and Sikh castes. Harold Gould's study of fifty *rickshawalas* of Lucknow revealed that this occupational category comprised twenty-seven Hindus ranging from the highest and purest Brahmin caste to the lowest and most defiled Chamar caste, four Nepali Hindu and nineteen Muslim. This gives an example of a complete disintegration of the occupational feature of the caste system (Gould's article in Rao 1974: 296). In his study of the emergence of industrial labour force in Bombay, M.D. Morris (1965) observed that the labour force was drawn from all castes, high and low, chiefly consisting of Maratha migrants from Ratnagiri district (see Rao: 1974). A.B. Mehta's study (1960) of domestic servants in Bombay shows that the bulk of them belonged to the low castes and were immigrants, (see Rao: 1974). The separate studies of clerks conducted by B.K. Khurana and N.J. Umrigar found that they were drawn from upper castes (see references to these works in Rao 1974).

Further, there are some studies on social and occupational mobility of the scheduled castes. Sunanda Patwardhan's study (1973) of scheduled castes of Poona shows a varying degree of association between caste and traditional occupation. The ratio of association comprises Chamar (Shoemaker): 69 per cent; and Mahar: nil (see table in Rao 1974: 317). It is evident from the figures that the Mahar had completely dissociated from their traditional occupation.

They had taken up white-collar occupation. A limited proportion of people from other scheduled castes also had entered into non-traditional occupations. Hence, a positive correlation between caste and occupation was not found in this study. Lynch's study (1969) of the Jatav of Agra also gives evidences of social mobility among this caste.

ii) **Business Communities in Urban India**

Regarding the business communities it has been observed that the history of business in India has been the history of certain social groups such as specific castes. But here it must be noted that business communities are not always found coterminous with caste groups. A number of studies have treated religious and regional groups as castes e.g. the Parsi, the Jain and the Marwari. In fact, the Parsi and the Jain are religious communities outside the framework of the caste system. Historically speaking, the Marwari belong to the region of Marwar in Rajasthan. They gradually spread their business activities all over India over a long period of time.

In fact, business opportunities have been seized by diverse social groups such as Bania, Parsi, Lohana and Muslim in Gujarat, Brahmin in Bengal, Khatri in Punjab and Chettiar in the South. Some lower caste-groups without having any traditional association with entrepreneurship have taken up business like the Ramgarhia (a caste of high skill artisans) in Punjab and the Mohishya (the low caste peasant community) in the Howrah region (Tripathi 1984:16-17). In reality, a constellation of forces have been operative in the emergence of development of business enterprise. According to N.R. Sheth (1984), these forces include psychological factors. The psychological factors are motivations, socio-cultural traditions, skills, and attitudes relevant to business. Economic opportunities, political stability and support for congenial business environment also help the development of business enterprise. Contact with contemporary business system and exigential pressures generated on social groups during the periods of social change operate in the emergence of the business community (Tripathi 1984: 18).

**Check Your Progress 6**

i) Who are the capitalists? Answer this question in about five lines.

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ii) Who constitute the urban middle class? Use five lines for your answer.

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iii) What are the factors associated with the emergence and development of business enterprise? Use 10 lines for your answer.

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## 11.6 LET US SUM UP

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In this unit we have talked about the nature of urban economy in India. We discussed the main features of the traditional urban economy in the ancient and the medieval period of Indian history. Then we discussed the main features of the colonial urban economy. Here we examined the process of destruction of urban handicrafts under the impact of colonial rule in India. We also described the growth of modern industries and the emergence of new social classes in India. We went on to discuss the urban economy after Independence. We focused on the impact of industrial policy on the economy, the role of the organised and the unorganised sectors, social classes in urban India and finally the relation between caste and occupation.

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## 11.7 KEYWORDS

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**Bourgeoisie and Proletariat** The capitalist class is known as the bourgeoisie. This consists of industrial, financial and mercantile capitalists. They own and control industrial, trading and financial enterprises. They exploit the working class for maximisation of their profit and expansion of their enterprises. They constitute the dominant class in the capitalist society. But working class known as proletariat is the exploited and powerless class. This class does not own the means of production. The workers work for wages in the capitalist enterprises to earn their livelihood.

**Guild System (*Sreni*)** The guild system known, as *sreni* in the contemporary literature was a very important

feature of the ancient urban economy in India. Urban craftsmen and traders had organised themselves into different guilds. Members of a particular guild practised similar occupation. These guilds played a very significant role in organising production and in shaping public opinion.

### **Mixed Economy**

India has adopted the path of 'mixed economy' for economic development of the country after independence. The concept of 'mixed economy' refers to the co-existence of both the public sector and the private sector in the national economy. The public sector is owned and controlled by the government but the private sector is owned and operated by individuals, families or private bodies.

### **Mode of Production**

This is a phrase, which one comes across frequently in the writings of Karl Marx. It refers to both, forces of production and relations of production. Forces of production include things like the tools, machines, capital, land etc. Relations of production include the relationships between the owners of production and the workers.

### **Multiform Economy**

This refers to prevalence of both the pre-capitalist and capitalist mode of production in the context of Indian economy.

### **Organised and Unorganised Sectors**

Indian economy has been viewed as dual in character comprising organised or formal sector and unorganised or informal sector. The organised sector possess the characteristics such as large-scale operation in terms of capital and labour, wage labour, modern technology, public and private ownership, regulated and protected markets for labour and output, skilled labour etc. Small-scale operation, private or family ownership, labour intensive, backward technology, unregulated market and unprotected labour are on the other hand the important features of the unorganised sector enterprises.

### **Royal Karkhana**

Royal *Karkhana* or workshops emerged during the medieval period for production of goods to meet the needs of the royal establishment. A large number of craftsmen belonging to different occupations were employed by the ruler for production of goods

under royal control and supervision. The production in these workshops was not meant for sale in the market but only for consumption of the royal establishment.

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## 11.8 FURTHER READING

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Shirokov, O.K., 1980. *Industrialisation of India*. Peoples Publishing House: New Delhi

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## 11.9 SPECIMEN ANSWERS TO CHECK YOUR PROGRESS

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### Check Your Progress 1

- i) b
- ii) a
- iii) In ancient India the urban craftsmen and traders had formed craft and trade guilds. Members of a guild belonged to the same craft or trade. These guilds provided its members security from competition as well as social status. The guilds fixed rules of work and the quality of the finished product and its price to safeguard both the artisan and the customer.

### Check Your Progress 2

- i) The two marked features of urban economy in medieval India were the growth of towns and cities and development of trade and commerce on an extensive scale.
- ii) b
- iii) The technology of production was low as compared with other advanced contemporary civilisations such as Western Europe and even China. This was specially evident in such areas of production like textiles, coal, cast-iron, mining and chemical industry.

- iv) Servants and slaves performed specialised functions in domestic and non-domestic services of the privileged class. The servants were low paid. Slaves were sold at a very cheap rate to the rich and were treated as objects. Slaves became free when the master freed them. It was not easy for the slaves to flee from this bondage.

**Check Your Progress 3**

- i) d
- ii) b
- iii) The unintended consequence of modern industrialisation was that, with the introduction of the modern factory system of production, commercialisation of economy and the spread of transport throughout India, the Indian economy became more unified. It became more cohesive and organic.

**Check Your Progress 4**

- i) All industries that are owned and controlled by the government come under public sector. Industries such as arms and ammunitions, atomic energy, iron and steel, heavy machine building etc. fall under this category.
- ii) The economic reforms opened up the economy to private sector. It resulted in liberalisation of economy and de-licensing and de-control of industries. The new economic policy led to the relaxation of MRTP and FERA companies, delicensing of major industries and provided incentives for export production for boosting the industrial development.

**Check Your Progress 5**

- i) c
- ii) The nature of Indian economy has been described as ‘multiform’ from the point of view of its mode of production. It has both pre-capitalist as well as capitalist forms, although the capitalist form is more dominant. The pre-capitalist forms refer to the other forms of mode of production like, ancient and feudal mode of production.

**Check Your Progress 6**

- i) The capitalists are those who own and control industrial, trading and financial enterprises. One of the characteristic features of the capitalists is that they are guided by the motive of maximisation of profit.
- ii) The urban middle classes occupy such positions as managerial and supervisory in industry, trade and commerce. They are also in professions such as, medical, teaching, journalism, law, administration, and so on.
- iii) A host of psychological, social, economic and political factors are responsible for the emergence and development of business enterprises. These factors are motivations, socio-cultural traditions, skills and attitudes required for business and economic opportunities. Political stability and support and exigencies created by certain groups in times of social change are also facilitating factors.

### Structure

- 12.0 Objectives
- 12.1 Introduction
- 12.2 Concept of and Approaches to Poverty
  - 12.2.1 Concept of Poverty
  - 12.2.2 Approaches to Understand Poverty
- 12.3 Historical Dimension
  - 12.3.1 Ancient Period
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  - 12.3.3 Colonial Period
- 12.4 Poverty in Contemporary India
  - 12.4.1 Rural and Urban Poor
  - 12.4.2 Magnitude of Rural and Urban Poverty
  - 12.4.3 Rural-Urban Linkage of Poverty
- 12.5 Poverty and The Five-Year Plans
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- 12.6 Persistence of Poverty
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- 12.7 Eradication of Poverty
- 12.8 Let Us Sum Up
- 12.9 Key Words
- 12.10 Further Reading
- 12.11 Specimen Answers to Check Your Progress

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### 12.0 OBJECTIVES

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After going through this unit you should be able to

- define the concept of poverty
- explain the various approaches to understand the phenomenon of poverty
- describe rural and urban poverty in a historical perspective
- state the nature and extent of poverty in contemporary India
- summarise the approaches adopted in the Five-Year Plans towards the problem of poverty
- explain the persistence of poverty in India.

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## 12.1 INTRODUCTION

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In the first two units of this Block you learnt about the rural and urban economy of India. In this unit, you will look at one of the socio-economic problems of our country, namely the phenomenon of poverty in rural and urban India.

To understand the phenomenon of rural and urban poverty in India, we first discuss the general and broad concept of poverty and view different approaches to understand it. Then, against this background, we describe the rural and urban poverty in the country in a historical perspective. This section is followed by a discussion of the nature and extent of poverty in contemporary India. In addition, we examine the approaches adopted in the Five-Year Plans towards this problem and discuss its persistence. Finally, we look at the alternative ways of eradicating poverty.

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## 12.2 CONCEPT OF AND APPROACHES TO POVERTY

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Poverty is a broad concept with many aspects to it. In this unit, we will discuss it in economic terms. Here, poverty is viewed as a level of living that is so low that it inhibits the physical, mental and social development of human personality.

Let us first look at this concept of poverty and then discuss various approaches to study this phenomenon. Against this background, we will discuss, in the latter parts of this unit, rural and urban poverty in India.

### 12.2.1 Concept of Poverty

The problem of poverty has been with the human culture and civilisation since ages. In the beginning the human beings were dependent on nature for the fulfillment of even their basic needs for survival such as food, clothing and shelter. The society was at a low level of social organisation and technological development. The state of poverty was general in nature faced by all members of society.

Gradually, there occurred great progress in social organisation and technological development. Human beings started producing food and clothes and building houses for themselves. They also produced various other articles for maintaining a comfortable life. This conquest of the human being over nature has gone a long way over the ages.

However, the fruits of socio-economic progress have not been equally shared by all sections of society. Society has been broadly divided into two classes i.e. the rich and the poor. The rich people are economically rich, politically dominant and socially superior. But the common masses are economically poor, politically dominated and socially inferior. On the one hand, we find affluence of the ruling class and poverty of the mass on the other. This type of poverty of the weaker sections of society is a social product. It is intrinsically related to the prevailing socio-economic structure of society. The poverty of the masses is generated and perpetuated by the social system. It has been called 'artificial' poverty (Joshi 1986: 213). This means that poverty is a socially created state. It is multi-dimensional in nature comprising economic, political, social and

cultural aspects. But economic poverty constitutes the basis and gets reinforced and perpetuated by political, social and cultural backwardness.

### 12.2.2 Approaches to Understand Poverty

Poverty has been defined differently in the developed and the developing countries because of their different levels of economic development. There are two main approaches to the problem of poverty-the '**nutritional**' approach and the '**relative deprivation**' approach.

#### i) **The Nutritional approach**

This approach has been adopted in the developing countries. In this case, poverty is measured on the basis of minimum food requirements. This is calculated in terms of consumption of adequate calories (generally 2250 calories) to maintain working capacity of a person. People who are unable to fulfil this bare minimum in food consumption due to their low income are placed below the '**poverty line**'. The concept of poverty line is used to demarcate the poor from the non-poor. It is formulated in terms of an income level, which is considered to be adequate for enabling a person to maintain a minimum level of consumption of goods and services. Persons whose income level is below the poverty line are identified as poor. This is a measure of 'absolute' poverty i.e. poverty defined with reference to some predetermined standard or norm.

#### ii) **The Relative Deprivation approach**

In case of the developed countries, the 'relative deprivation' approach has been adopted for measuring poverty because fulfillment of minimum need of food is not the major problem. Here, poverty is seen in terms of relative deprivation of a class or a section of population against the privileged ones. Poverty is perceived in terms of an exclusion of a class or section of population from average living patterns, activities and participation in social life because of lack of resources e.g. wealth, income, education and political power. The emphasis is more on social inequalities than nutritional requirements.

The 'nutritional' approach to poverty is highly deficient in nature because it excludes essential non-food requirement for human living. In defining poverty, we must include essential non-food requirements like clothing, housing, education and health-care facilities, which are as important as the essential food requirements for an average human life in a civilised society. We cannot reduce human life to sheer animal life, which is concerned only with basic survival needs.

Against this backdrop of the concept of and approaches to poverty, we will now look at the phenomenon of rural and urban poverty in India. This discussion will be in terms of a historical perspective.

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## 12.3 HISTORICAL DIMENSION

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While discussing the historical dimension of poverty in our country, we will view this phenomenon in ancient, medieval and colonial periods of Indian history.

### 12.3.1 Ancient Period

The roots of contemporary rural and urban poverty in India go deep down the history of the country. The Rigvedic society was basically tribal, semi-nomadic, pastoral and largely egalitarian. According to Sharma (1980) it was a pre-class society at a very low level of socio-economic development. Poverty was a general problem of the people. In the third book of the Rigveda a prayer is offered to God to drive away poverty and famine. But the *varna*-based inegalitarian society developed during the Later Vedic period and onwards with the growth of agrarian settlements, towns and cities. A full-fledged class-based social order was formed in the age of the Buddha and has continued ever since. Thus, we witness a change from a stage of general state of poverty to a stage of socially-generated poverty during the ancient period.

In the ancient Indian society the king, nobles, holders of land grants, and rich merchants constituted the privileged class. They belonged to the Brahman, Kshatriya and a section of the Vaisya *varna*. They enjoyed a prosperous life through appropriation of surplus produced by the working people. They did not directly participate in the process of production. But the common people comprising peasants, artisans, craftspersons, labourers, servants and slaves were very poor. They belonged to Vaisya and Shudra *varna* and the untouchable castes. They suffered from multiple disabilities and deprivations e.g. economic, political, social, religious and cultural. The peasants had to pay heavy taxes to the privileged ruling class with little left for their survival. The artisans and craftspersons also suffered from exploitation and oppression of the rulers. The servility of the Shudra assumed various forms. They worked as domestic servants and slaves, agricultural slaves, hired labourers and artisans. Manu mentions seven kinds of slaves - a captive of war, a slave of maintenance, a son of a female slave, one purchased for money, a slave obtained as a present, a hereditary one, and one condemned to slavery for any offence (Punit 1982). The masses lived in absolute poverty, which was created by inequitable distribution of social resources and reflected in their utter misery. Kalhana, a Kashmiri poet in ancient India, in his book "*Rajatarangini*" refers to a drought in the beginning of the eighth century as follows.

One could scarcely see the water in the Jhelum, entirely covered as the river was with corpses soaked and swollen by the water in which they had been long lying... The King's ministers and guards became wealthy as they amassed riches by selling stocks of rice at high prices.

### 12.3.2 Medieval Period

During the medieval period, socially created poverty of the masses was perpetuated in the kingdoms and empires ruled by both the Muslim rulers and the Hindu rulers. The ruling class comprising the king, nobles, *zamindars* (landlords), *jagirdars* and the rich merchants and traders thrived on the surplus produced by the working people and lived a highly ostentatious life. But peasants, craftspersons, artisans, labourers, servants and slaves lived a miserable life despite their hard labour. Nikitin, a foreign traveller, who visited the Vijayanagar empire which was ruled by the Hindu rulers, observed that the land was overstocked with people; but those in the country were very miserable while the nobles were extremely opulent and lived in luxury (Punit 1982).

Moreover, the severity of drought and famines forced people at times to barbarism. Abdul Hamid describes in *Badshahnama* that in one of the bad years of the so called 'golden age' of the Mughal emperor Shah Jahan, 'destitution at last reached such a pitch that men began to devour each other, and the flesh of a son was preferred to his love'. Economic misery of the common people continued unabated along with their socio-political deprivations. Poverty of the masses amidst affluence of the privileged ruling class could be a valid description of the medieval period as was the case in the ancient period.

### 12.3.3 Colonial Period

The British colonial rule over India added an alien exploiter and oppressor. This accentuated the problem of poverty of the country in general and the Indian masses in particular. Indian economy was subordinated to serve the interests of British capital. In the previous two units of this Block we looked at these aspects. A huge amount of wealth was drained out of India to enrich the British ruling class. The peasants were ruthlessly exploited and oppressed by the *zamindars*, money-lenders and the state under the new land revenue system. Rural artisans suffered from the decline of rural household industries. Urban craftsmen were exploited and oppressed by the British traders and their agents. A number of towns and cities, which were famous for their manufactures, declined and became desolate. Reporting on the decline of urban handicrafts William Bentinck, the Governor-General, said in 1834-35 "the bones of the cotton-weavers are bleaching the plains of India" (Chandra 1977: 184). The growth of modern machine-based capitalist industries also resulted in exploitation of the workers by the capitalists.

Further, the occurrence of frequent famines and the high losses of life in them reflect the high magnitude of poverty and starvation, which had taken root in India during this period. According to William Digby's estimate, over 28,825,000 people died during famines only in the second half of the nineteenth century. In 1943, nearly thirty lakh (three million) people died in the famine of Bengal. Moreover, the grim situation of India's poverty in the nineteenth century was recognised by many English officials in India. Charles Elliot remarked "I do not hesitate to say that half the agricultural population do not know from one year's end to another what it is to have a full meal". William Hunter observed that "forty million of the people of India habitually go through life on insufficient food" (Chandra 1977:194 - 95). The condition became worse in the twentieth century. The quantity of food available to an Indian declined by as much as twenty-nine per cent in the thirty years between 1911 to 1941 (Chandra 1977: 195).

#### Check Your Progress 1

Tick the right answers of the following questions.

- i) What does the nutritional approach to poverty tries to measure?
  - a) The health of the urban population
  - b) Poverty on the basis, of minimum food requirements
  - c) Relative poverty of the poor as compared to the rich
  - d) Poverty on the basis of the income level of the rural population.

- ii) What is the main purpose of the relative deprivation approach?
  - a) Measure poverty of those below the poverty line
  - b) Determine the privileges of the rich
  - c) Assess the minimum food requirements
  - d) Assess the deprivation of a section of population as compared to others
- iii) Explain in about five lines the concept of poverty.

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## 12.4 POVERTY IN CONTEMPORARY INDIA

The problem of poverty in India after Independence can be described in terms of the social classes, castes or groups afflicted with poverty in rural and urban areas. It can also be discussed in terms of magnitude of the problem and the linkages between rural and urban poverty.

### 12.4.1 Rural and Urban Poor

In India, large sections of the population live in abject poverty. The poor live in rural and urban areas. In the rural areas, they consist of small landholders, agricultural labourers, artisans and craftsmen. They mainly belong to the scheduled castes, scheduled tribes and other backward castes.

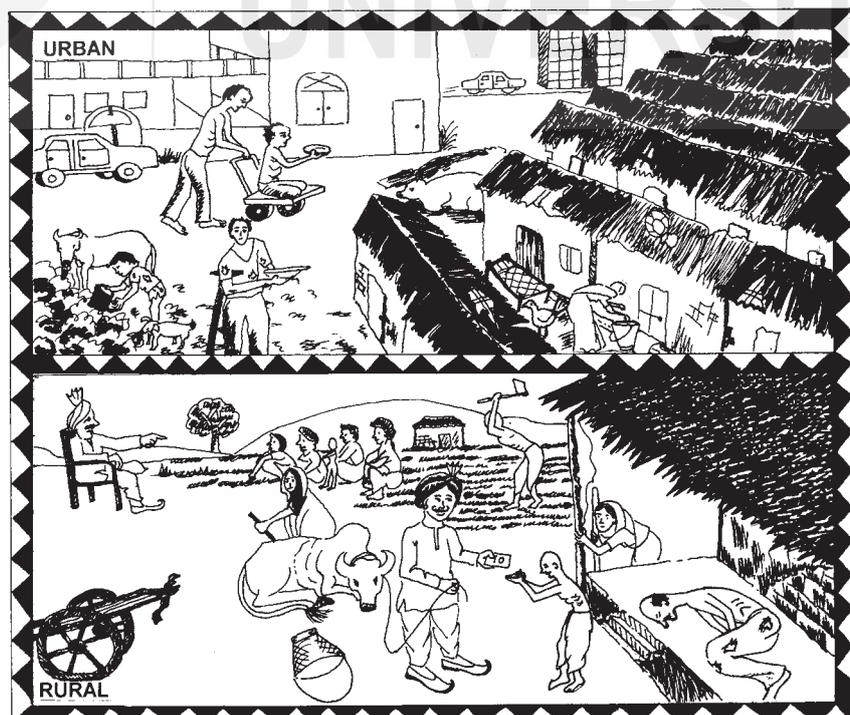


Fig. 12.1: Urban and rural poverty

In urban areas, the poor people are usually engaged in the unorganised sector and some low paid jobs in the organised sector. They are employed in unskilled, semi-skilled and also some low-income skilled jobs. They work as wage earners in industries, trade, commerce, transport and construction industry. A large number of them are also engaged in self-employed activities as rickshaw-pullers, shoe-repairers, vendors, owners of teashop and pan-bidi shop and even beggars. The urban poor living as slum dwellers and pavement dwellers are found in abundance in Indian towns and cities. Figure 12.1 shows the predicaments of both rural and urban poverty.

The condition of both the urban and the rural poor is miserable. They own very few or negligible assets. Their income and expenditure are very low. Their wages are meagre. Many of them are unemployed and underemployed, which enhances their pangs of poverty. The rate of literacy is lowest among them. They do not enjoy much of the benefits of available health facilities. They do not get even enough food to eat. Their housing condition is sub-human or inhuman. They are severely exploited and oppressed by the privileged class both in the rural and urban areas.

#### 12.4.2 Magnitude of Rural and Urban Poverty

The magnitude of poverty in India has been estimated in terms of the nutritional criterion, which takes into account only the minimum food intake of a person to maintain working capacity. But some non-food items such as clothing, housing, education and health-care are also equally essential for a minimum standard of human living and hence must be considered while analysing poverty. Moreover, in a developing country like India, we find that the privileged class enjoys all available modern amenities and also indulges in conspicuous consumption. This means that they buy goods and services which enhance socio-economic status and which are not affordable to the poor. The majority of the people are, on the other hand, not able to fulfil their minimum needs. There is a situation of wide socio-economic inequalities. Therefore, a proper approach to the problem of poverty has to take into consideration the prevailing inequalities with regard to distribution of assets, income and consumption expenditure both in the rural and urban areas.

Several economists and planners have estimated the number and proportion of people living below poverty line. The 'poverty line' as mentioned in the earlier section 12.2 is expressed in terms of an income level which is considered to be adequate for sustaining a minimum level of consumption. For instance consumption of food items giving 2250 calories of energy to a person per day is deemed necessary for maintaining working capacity. This is one norm against which poverty line is defined. Presently in our country, following the recommendations of Expert Group on Proportion and Number of Poor separate deflators are used for rural and urban areas of different states. The State - specific consumer price index of selected commodity groups for the agricultural labourers was used as price deflator for the rural areas and State-specific retail price movement of consumer price index for the industrial workers for the urban areas.

In India we find differences in the estimates of poverty. This is mainly due to two reasons. First, the analysts have adopted different methodology in their calculation. Secondly, fluctuation occurs in the level of poverty due to rise, in

the level, in periods of bad agricultural growth and decline in the time of good harvest. However, there is complete unanimity on the fact that the absolute number of the poor has increased over the years from 131 million in 1960-61 to about 273 million in 1984-85 (Datt and Sundharam 1988: 294). The proportion of people below the poverty line is also very high. It was about forty per cent of the population after forty years of Independence even if we take the official figure of the plans. Moreover, the number of the rural poor is more than four times the number of the urban poor. During 1993-94 the absolute number of rural poor was 244 million (24 crore and 40 lakh) whereas the number of urban poor was 76 million (7 crore 60 lakh) (Ninth Five-Year Plan 1997-2002). Rural poverty directly affects urban poverty because most of the urban poor are migrants from the villages. These people have been driven out of their villages due to poverty there (Datt and Sundharam 1988).

At the national level, the incidence of poverty on the Head Count Ratio declined from 44.48 per cent in 1983 to 26.10 per cent in 1999-2000. It was a decline of nearly 8.5 per cent points in ten year period between 1983 and 1993-94 (NSS 50th round, 1993-94), followed by a further decline of nearly ten per cent points in the period between 1993-94 to 1999-2000. In absolute terms, the number of poor declined from about 323 million in 1983 to 260 million in 1999-2000. The decline has not been uniform either across states or across rural and urban areas. While the poor in the rural areas declined from 45.65 per cent in 1983 to 27.09 per cent in 1999-2000, the decline in urban areas has been from 40.79 per cent to 23.62 per cent during this period (NSS 55th round, 1999-2000). Although there is a broad consensus among the scholars (Deaton 2002, Sundaram and Suresh 2002) that poverty had indeed declined substantially in the 1990s, the magnitude of the decline remains a point of contention because the official estimates based on the NSS fifty-fifth round are not likely to be comparable with earlier rounds of NSS, due to changes in the design of the fifty-fifth round consumption module. According to Deaton's estimates in 1999-2000, 29 per cent of India's population live below the official poverty line (Deaton 2003). The Tenth Five-Year Plan (2002-2007) aims to reduce the poverty ratio by 5 per cent points by 2007. This means bringing down the poverty ratio in the country to 21 per cent from the 26.1 per cent (official data) in 1999-2000.

Now let us look at those factors, which explain the nature and extent of rural and urban poverty. The factors considered here are (i) unequal distribution of wealth (ii) the pattern of per capita expenditure on consumption (iii) the pattern of possession of assets (iv) illiteracy and health and (v) regional differences in the patterns of poverty.

#### **i) Poverty and Unequal Distribution of Wealth**

We discuss now the question of unequal distribution of personal income, which throws some light on the nature of poverty in India. Estimates of distribution of personal income made by various reputed organisations and noted scholars reveal the existence of concentration of economic power in both the urban and rural areas in the country. This is reflected in the prevalence of a wide range of variation between the income of the top and the bottom levels of the population. According to the estimate of the Reserve Bank of India from 1953-54 to 1956-57, in the rural areas, the top five per cent of the population had seventeen per cent of the aggregate income while the bottom twenty per cent

had only about nine per cent of the income. Moreover, in the urban areas, the top five per cent of the population had twenty six per cent of the aggregate income but the bottom twenty per cent had only seven per cent of the income. Hence, the gap in income between the top and the bottom income group is wider in the urban areas than in the rural areas. Moreover, it is also evident that the fruits of economic development have been appropriated over the years by the rural and the urban rich. Similar trend has been observed in other studies (Datt and Sundharam 1988).

### ii) **The Pattern of Per capita Expenditure on Consumption**

The pattern of the per capita expenditure on consumption among the rich and the poor section of the population is another indicator of the magnitude of economic inequality, poverty and the gap in the standard of living. There has been an increase in average per capita real consumer expenditure both in the urban and rural areas. Despite this increase the condition of the bottom forty per cent people in the urban areas and five per cent in the rural areas has worsened in the absolute sense. This is reflected in decline in their real consumption expenditure over the years. Moreover, the disparity in the level of expenditure between the top five per cent and the bottom five per cent of the population has been gradually increasing and in the urban areas it is becoming more acute than in the rural areas (Bose 1980:17). As per the results of the National Sample Survey fifty-fifth round on household consumer expenditure in 1999-2000, the average per capita monthly expenditure in urban India has grown to Rs. 529 as against Rs.486 in 1994-95 (an increase of 15.6 per cent) and that of the rural India it has grown to Rs.304 from Rs.281 (an increase of eight per cent) during the same period. At the same time the NSS data shows a higher incidence of unemployment in both rural and urban areas (NSS fifty-fifth round, 1999-2000). It is clear that the gains of economic progress have been cornered by the rich people. On the other hand, the standard of living of the lower income groups has either remained stationary or has positively deteriorated over the years.

### iii) **The Pattern of Possession of Assets**

The pattern of possession of assets in rural and urban areas also gives an idea about the extent of poverty in India. The people living below the poverty line have very few or almost negligible assets. The structure of landownership would reveal the highly inequalitarian nature of asset distribution in rural areas. Data on ownership of land during the 1950's shows that about 47 per cent of the population owned either no land or less than one acre of land and accounted for about 1.38 per cent of the total land resources. Various land reform measures have been adopted by the government. However, the heavy concentration of land has remained practically unaltered. The twenty-sixth round report of the National Sample Survey for the year 1971-72 shows that about two per cent of the rural households own about twenty-three per cent of the land areas while about forty-five per cent of the households own only two per cent of the land (Chattopadhyay 1989: 123). Moreover, it has also been observed in some studies that in the two decades between 1961 and 1981 the proportion of cultivators came down from 52.3 per cent to 41.5 per cent while during the same period the per centage of agricultural labourers increased from 17.2 per cent to 25.2 per cent of the total labour force. This reflects an increasing incidence of pauperisation of the rural poor (Chattopadhyay 1989: 123). During

the period 1983 to 1999-2000, the per centage of persons in the labour force at the national level declined from 66.5 per cent in 1983 to 61.8 per cent in 1999-2000 (NSS fifty-fifth round, 1999-2000). The deterioration in the employment situation will augment the incidence of poverty.

Moreover, in the urban areas there are large sections of pavement dwellers who possess very few or almost no assets. The decaying tenements of the slum dwellers and the hutments of squatters are the burning examples of urban poverty. According to the 1971 Census, sixty-six per cent of the households in cities with a population of more than one lakh live in one room tenements. In 1981, at the national level, nearly seventy-three per cent of the households were living in houses with two or less rooms and this rate declined marginally to seventy one per cent in 1991 (National Human Development Report 2002). The National Building Organization (NBO) has estimated that the shortage of housing units increased from 14.5 million in 1971 to 16.7 million in 1977 (De Souza 1983: xxi). On the other side we witness a large increase in the assets of the privileged section of the urban population. For example, the total assets of top twenty large industrial houses increased from rupees 1,346 cores in 1963-64 to 20,138 crores in 1985 (Datt and Sundharam 1988: 348).

#### iv) **Illiteracy and Health**

Regarding educational facilities we find that it is mainly the poor people who are illiterates both in the rural and urban areas. In 1981, it was observed that about sixty-four per cent of India's population were illiterate. The rate of illiteracy was seventy per cent in rural areas and forty-three per cent in the urban areas in 1981. The national illiteracy rate was around forty eight per cent and thirty-four per cent in the years 1991 and 2001, respectively. Moreover, the absolute number of illiterates has also increased from 300 million in 1951 to 438 million in 1981 according to a report of the Institute of Economic Growth published in 1988. Further in the case of health facilities, it was found that fifty-five per cent of the rural population was not served even by primary health centres. The urban poor also could hardly afford expensive medical treatment in towns and cities. Both illiteracy and poor health status generate living conditions which reflect poverty.

#### **Activity 1**

Visit a slum and observe the living conditions of the poor who live there. Interview members (male and female adults i.e. above twenty years of age) of five families on such aspects of their life like:

- a) occupation and family income per month
- b) regularity of employment
- c) size of the family
- d) educational status of each family member and how they came to live in this slum

Discuss, if possible, the-information you have gathered with other students at the Study Centre.

### v) **The Regional Pattern of Poverty**

An important aspect of poverty in India is its differential distribution in different regions, towns and cities. In 1981 The largest number of the urban poor is found in the state of Uttar Pradesh where about forty per cent of the state's total urban poor lives below the 'poverty line' and the least number of them were in Haryana constituting about seventeen per cent of the urban population of the state. Orissa, Bihar, West Bengal and Tamil Nadu had more than fifty per cent of the people below the poverty line in 1983. By 1999-2000 while Tamil Nadu and West Bengal had reduced their poverty ratio by half, Bihar and Orissa continued to be the poorest states with poverty ratio of forty-seven and forty three per cent, respectively. Rural Orissa and rural Bihar were the poorest among the rural areas in 1999-2000 and among the urban areas the poorest three states were Orissa, Madhya Pradesh and Bihar (NSS fifty five round, 1999-2000). On the whole, one-fifth of the total urban population lives in slums or squatter settlements. The slum population of most of the cities in India during the seventies was estimated at twenty to thirty per cent of the total urban population. This was true of Delhi, Kolkata and Chennai (De Souza 1983: xiii-xiv). Among the metropolitan cities Kolkata and Mumbai had the largest number of people living in slums in 1981, numbering 3.03 million and 2.83 million respectively according to a paper published by the National Institute of Urban Affairs in New Delhi in 1989.

#### **12.4.3 Rural-Urban Linkages of Poverty**

It has been observed that the problem of poverty in India is mainly a problem of rural poverty. According to the estimate of the Seventh Plan, out of about 273 million people below the poverty line about 222 million lived in rural areas while only fifty million lived in urban areas in 1984-85. According to the National Sample Survey estimates in 1999-2000, the head count ratio of the rural poor is 27.1 per cent and that of the urban poor 23.6 per cent (National Sample Survey 1999-2000).

Moreover, it has been said that the urban poor of India are only an overflow of the rural poor into the cities and that essentially they belong to the same class as the rural poor (Dandekar and Rath 1971). We find that a large number of rural poor migrate to urban centres due to lack of work in villages and growing opportunities of employment in towns and cities. The largest cities have attracted the largest number of rural migrant workers because, unlike the small towns, they offer a wide range of employment opportunities. Most of these people are engaged either in low income self-employment activities or low paid unskilled or semi-skilled jobs in the unorganised sector of the urban economy. The primary reason for rural-urban migration is economic, and the rural poor migrate to the cities in search of employment rather than better employment opportunities (see De Souza 1978: xv). The rural poverty is carried over to the urban areas by the channel of rural urban migration. This is very evident in slums and squatter settlements, environmental deterioration, sub-standard housing and low levels of health and nutrition of the urban poor.

Social and cultural factors also play an important role in facilitating the migration of the rural poor to the urban centres. The rural migrants depend upon kinship, caste and regional networks not only for decisions with regard to the choice of destination but also for their early and easy adjustment to the

difficult conditions of urban living. They get automatically pushed into the slums or squatter settlements where their kin-members, castemen, acquaintances or friends live. These people help them in getting employment or give financial assistance in the beginning. It has been pointed out that the spontaneous settlements of the urban poor are not merely collections of sacks and huts but communities of fellow migrants. Each is based on a network of primary ties based on language, region, village, caste or kin. It has enabled the rural migrants coming from small village communities to become familiar with and acculturated in the complex and diversified environment of a metropolitan city (De Souza 1983: xvi).

Moreover, the urban poor maintain their linkages with their families in rural areas by visits and remittances. They go to their villages during harvesting, festivals and other ceremonies like marriage and death. In time of difficulty or unemployment they fall back on the traditional but scanty, sources of income available in their villages. Most of them continue to maintain their roots in villages.

The rural poor join the mass of urban poor after reaching the towns and cities. In this way, rural poverty is carried over to urban areas. But the natural increase in the population of the urban poor has also become significant in recent years because of the number of the urban poor who are permanently settled in towns and cities. In our next section we will turn our attention to the approach and concern at the governmental level toward the problems of poverty in India.

**Check Your Progress 2**

- i) State whether the following statements are true or false.  
Mark a T or F against each statement.
  - a) Urban poverty and rural poverty are independent of each other.
  - b) Though there is a lot of poverty since independence the rich too have become poorer.
  - c) The per capita consumer expenditure has increased during the current period.
  - d) In rural areas forty-five per cent of the households own about twenty three per cent of land.

ii) Who constitute the rural poor in India? Use four lines for your answer.  
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iii) Outline the nature and magnitude of the housing problem of the urban poor in about ten lines.  
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- iv) What have been the five factors, which have helped in throwing light on the nature and magnitude of the problem of rural and urban poverty in India? Answer in five lines.

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## **12.5 POVERTY AND THE FIVE YEAR PLANS**

The Constitution of India (1950) aimed at securing justice, liberty and equality to all the citizens and constitutes the country into a socialist, secular and democratic republic. According to the Directive Principles of State Policy enshrined in the Constitution, the State assumed the responsibility of securing adequate means of livelihood to all citizens, a proper distribution of the material resources of the country. It assumed the responsibility of preventing concentration of wealth to the common detriment. The aim was to build up a social order, which stands for the welfare of the people. The resonance of these Constitutional commitments implying removal of poverty has permeated into all the Five-Year Plans in a tacit or categorical terms. For example, the Second Five-Year Plan stated that the benefits of economic development must accrue more and more to the relatively less privileged classes of society. The focus of the Ninth five-year Plan was growth with social justice and equity. The Tenth Plan aims at economic growth with a stronger thrust on employment generation and equity. As mentioned earlier it envisages to reduce the poverty ratio by five per centage points from twenty-six per cent to twenty-one per cent by 2007 and by ten points further to eleven per cent by 2012.

Moreover, the Plans have sought to lay special emphasis on the common person, the weaker sections. But the efficacy of the approach and strategy adopted for resolving the problem is very doubtful. Let us now outline the two approaches that have been adopted in the Five-Year Plans.

### 12.5.1 Growth Oriented Approach

In the beginning, India's Five-Year Plans laid emphasis on the growth of economy of the country as a whole through raising production and the per capita income. It was postulated that the benefits of rapid economic growth would automatically trickle down to the poor people and raise their living standard through providing them more employment opportunities, higher income and more wages. Moreover, no distinction was made between rural and urban poverty and the latter was considered to simultaneously vanish with the former.

The Government began with the Community Development Project (CDP) in 1952. Under this project the whole community in a particular area was taken as a homogeneous unit. The emphasis was given on economic growth. The project covered the programmes like improvement in agriculture, animal husbandry, village and small industries, health and sanitation, social education etc. Moreover, an effort was made to effect changes in the pattern of landownership through various land reform measures such as the abolition of the *zamindari* system, tenancy reforms, ceilings on landholding and distribution of surplus land to the small landholders and landless people. Further, in the nineteen sixties, antipoverty programmes concentrated in places and in crops where these could significantly raise production. The important programmes comprised the Intensive Agricultural District Programme (IADP) and the Intensive Agricultural Area Programme (IAAP) launched in 1960 and 1964 respectively. Since the mid-sixties, the Government has mainly helped the better off farmers and big landowners to raise agricultural production through adopting modern technology in the form of use of High Yielding Varieties (HYV) of seeds, chemical fertilizers, tractors, water pumps etc.

In course of time it was realised that the benefits of these development programmes have been largely cornered by the privileged section of the rural population. The impact of land reform measures was also very limited. The conditions of the poor did not improve. In fact, their number increased both in rural and urban areas.

### 12.5.2 Growth with Social Justice

When it was observed that the **growth oriented approach** was a failure in effecting the trickling down of benefits of development to the poor, the five-year plans started giving special emphasis on the cause of social justice. The motto of development since the early seventies became **growth with social justice**. Special programmes were launched to benefit the backward areas and backward section of the population e.g. small and marginal farmers and landless labourers and especially those belonging to the scheduled castes and the scheduled tribes.

#### i) Programmes in Rural Areas

In rural areas, various programmes came into operation such as Small Farmers Development Agency (SFDA), Marginal Farmers and Agricultural Labourers (MFAL) and Drought Prone Area Programmes (DPAP). The concept of *Antyodaya* (all-round development of all poorest section in each village) came in 1977. 'Food for Work' programme was started in the same year to provide employment to the rural poor particularly in slack season. This programme

was christened National Rural Employment Programme (NREP) in 1980. Special subplans were introduced to remove regional disparities and development especially of the hill and tribal areas. Minimum Needs Programme was launched to secure to the rural areas certain basic amenities in the field of education, health, drinking water, electrification, roads and home sites for the poor. Further, the national scheme of Training Rural Youth for Self-Employment (TRYSEM) was started in 1979 with a view to removing unemployment among the rural youth. The Rural landless Employment Guarantee Programme (RLEGP) was initiated in 1983 to offer more employment opportunities for the rural landless. The Integrated Rural Development Programme (IRDP) aimed at providing assistance to families below the poverty line to raise their income and assets over the poverty line. The Jawahar Rozgar Yojana (JRY) has been launched in April 1989 for removal of unemployment. *Indira Awas Yojana*, which was launched as a sub-scheme of *Jawahar Rozgar Yojana*, was implemented as an independent scheme since 1996 with the aim of helping the rural in the construction of the dwelling units. *Pradhan Mantri Gramodaya Yojana*, launched in April 2000 is implemented in the rural areas through the country following the pattern of the *Indira Awas Yojana*. *Samagra Awas Yojana* is a comprehensive housing scheme launched in April 1999 with a view to ensure integrated provision for shelter, sanitation and drinking water for the rural poor. The *Swarnajayanti Gram Swarozgar Yojana*, a new and holistic self-employment programme for the rural poor was launched on April 1999, replacing the earlier self-employment and allied programmes such as IRDP, TRYSEM, DWCRA etc. *Jawahar Gram Samridhi Yojana*, which was a re-structured, streamlined and comprehensive version of the erstwhile *Jawahar Rozghar Yojana* was launched in April 1999. National Social Assistance Programme came into effect from August 1995. It is aimed at providing social security in case of old age, maternity and the death of the primary breadwinner of the family. However, it can be said that the impact of these programmes has been very marginal on the problem of poverty in the country. Corruption, leakages and incapacity to create permanent asset have made these programmes unsuccessful to a large extent. The Government has nonetheless come out with new programmes, sometimes replacing the old ones, hoping to mitigate the problems of poverty in the rural areas.

### Activity 2

Go to a village and visit an area where the poorest sections of the population live. Observe their living conditions. Talk to at least 5 adult members living there about

- a) their source of income
- b) their caste status (i.e. high or low)
- c) their awareness of old and new anti-poverty programmes.

Write a two page report on the basis of the information you have gathered. Compare, if possible, your report with those written by other students at your Study Centre.

### ii) Programmes in Urban Areas

Further, in case of urban poverty we find a gradual change in the perception of the planners. Urban poverty was not seen as a distinct problem in the early

Five-Year Plans. It was treated only as an off-shoot of rural poverty. But this problem was addressed directly with the Seventh Five-Year Plan. This plan envisaged a multi-pronged strategy to resolve the problem. It aimed at (a) providing gainful employment to the unemployed, particularly, women and youth, (b) raising the earnings of those already employed in low paid jobs, (c) increasing the productivity and earnings of those who were self-employed workers, and (d) improving the access of the urban poor to basic amenities like education, health-care, sanitation and safe drinking water (Seventh Plan 1985 Vol 1: 32). For this, the plan proposed to take up a few pilot projects in selected urban areas.

The various programmes meant for removing urban poverty are grouped under three categories (a) shelter and services, (b) employment, and (c) public distribution and nutrition. Shelter and services related programmes include provision of housing, environmental improvement of slums, programmes concerned with the welfare of children, women and youth. The Prime Minister of India announced a centrally sponsored scheme called Valmiki Ambedkar Awas Yojana (VAMBAY) on 15th August 2001 to ameliorate the condition of urban slum dwellers living below the 'poverty-line'. The National Slum Development Programme was launched in August 1996 with the primary objective of the development of the urban slums. Employment related programmes concern with helping the urban poor in self-employment through providing credit and loans on concessional rates and upgradation of their skills. *Swarna Jayanti Shahari Rozgar Yojana*, launched in December 1997, is one such programme aimed at providing gainful employment to the urban unemployed and underemployed through encouraging the setting up of self-employment ventures or provisions of wage employment. The urban poor get benefit from the Public Distribution System (PDS) which supplies certain essential goods like cereals, edible oils, kerosene oil etc. at fair prices. The general programmes of mid-day meal, special nutrition programme and integrated child development services are also expected to help them. In order to make PDS more focused and targeted towards poor, the *Antyodaya Anna Yojana* has been launched in 2000. The scheme contemplates identification of 10 million poor families and providing them with twenty-five kilograms of foodgrains per family per month at a low price of Rs. 2/kg for wheat and Rs. 3/kg for rice.

The economic reforms started in the 1990 have an adverse effect on the PDS system. The food distributed through PDS is subsidised by the Government to the extent of the difference between the issue price of foodgrains and their economic cost to Food Corporation of India (FCI), the agency which incurs the cost of transportation, storage and administration of the stock of foodgrain. In the wake of the economic reforms the government reduced the subsidies drastically and such reduction hit poor drastically. For ensuring supply of foodgrains to the PDS system in face of export attraction due to the devaluation of rupee, for maintaining their level of production in spite of sharp rise in input prices and for political consideration of assuaging the rich farmers' lobby, the government had to increase the procurement prices of rice and wheat (Bandyopadhyay 1995). This compounded the reasons for the increase for the prices of the commodities in the fair shops. In June 1997 the government announced Targeted PDS or TPDS in the place of Revamped PDS or RPDS of the early 1990s. The TPDS introduced the idea of differential entitlements

for different categories of citizens based on the formulae that identified below poverty line (BPL) households (Chatterjee and Measham 1999). The steps taken by the government resulted in reducing the population covered by the benefits of PDS.

However, we must note that most of these programmes expected to benefit the urban poor are general in nature. There exist only a few programmes specifically meant for the urban poor, most of which are in the shelter sector. Further, most of these programmes are at their experimental stage. They do not cover even a small fraction of the urban poor. Many programmes are floundering and some are already showing signs of malfunction.

On the whole the measure undertaken to deal with the problem of poverty in rural and urban areas seems to be inadequate. At this point, it seems quite relevant to ask the question what are the factors, which are responsible for the emergence and persistence of the phenomenon of poverty that no amount of efforts seems adequate. Let us examine the causes of poverty.

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## 12.6 PERSISTENCE OF POVERTY

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In India, we find co-existence of abject poverty of the masses and affluence of the privileged class both in the rural and urban areas since ages. The failure of the government in resolving the problem of poverty has been generally attributed to rising population, havoc of natural calamities such as drought and flood and character deficiency of individuals. It is true that the country is still at a low level of economic development. But it is also certain that the major benefits of development have been concerned by the richer section of the population.

In reality, poverty in India is a social product and not a natural phenomenon. It has been socially generated and reinforced and perpetuated. It is a consequence of extreme socio-economic inequalities. It results from differential position of different social classes, castes and groups in economic, political, social and religious domains of society. Roots of poverty lie in the economic, political and social set up of society. Demographic, natural and psychological factors are off-shoots of the highly inequalitarian structure of society though they play an important role in perpetuating poverty. Now let us look at the important economic, political and socio-cultural factors, which have led to the persistence of this problem.

### 12.6.1 Economic and Political Factors

The basic economic factor responsible for the problem of poverty in India is the highly unequal distribution of the economic resources of the country among various social classes and castes. We find wide inequalities in distribution of assets and income between the rich and the poor both in rural and urban areas. The productivity of labour remains low in agriculture due to highly unequal distribution of landholdings. Big landowners generally do not care much for raising agricultural production because their needs are fulfilled even at low level of production. The small and marginal farmers do not possess enough resources to make adequate use of modern inputs for raising productivity. The agricultural labourers do not feel much motivated to work hard due to their

low wages. The limited spread of the Green Revolution in agriculture has not helped much in removing the problem of mass poverty. In addition, the benefits of limited agricultural growth in agriculture have been grabbed by the rural rich. Similarly, in the urban areas also the fruits of economic development have gone to the rich. The urban poor have to lead a miserable life due to their employment in low paid jobs in the unorganised sector, low income activities of self-employment and the problems of unemployment.

Further, the political factor has also contributed to the prevalence of mass poverty in India since ages. The state power has been controlled by the privileged ruling class both in the urban and rural areas. The ruling class controls the state machinery. It directly or indirectly protects and promotes its class interests. But the mass of the poor people have always remained powerless.

### 12.6.2 Socio-cultural Factors

The caste system has been an important factor in perpetuating poverty of the masses. The rigid stratification of the caste system imposed severe restrictions on occupational mobility. Generally speaking, a person born in poor lower caste lived and died in the same social position. The caste system imposed social distance between castes, with regard to marriage, food, habitation and general social interaction. The upper castes were considered socially and ritually superior and the lower castes were declined inferior. The upper castes practised discrimination against the lower castes in social and religious matters.

Moreover, the belief in '*karma*' justified the inegalitarian and just social order. It held that poverty is the consequence of one's *papa karma* (bad deeds) in earlier births. Performance of *varna dharma* was considered essential for a better life in future birth. In this way, a systematic and concerted effort was made to ward off any challenge to the existing social system in which the majority of the people suffered from abject poverty while the ruling class lived a happy and ostentatious life.

Further, nowadays priority is given to values, which emphasize the fulfillment of one's self-interests. Materialism has got an upperhand over humanitarian values. We witness a mad rush among the rich people for raising their social status through indulging in conspicuous consumption, i.e., consuming those goods and services which reflect one's financial strength and prestige like buying jewellery, cars, latest electronic gadgets, etc. This emphasis on materialism and pursuit of self-interests has helped to widen the gap between the rich and the poor. It has also bred alienation and dehumanisation.

The problem of poverty continues as ever with an added momentum. The poor have strong feelings of marginality, of helplessness, of dependence, of inferiority, sense of resignation, fatalism and low level of aspiration. These tendencies are transmitted from one generation to the next. Therefore, the children of the poor are very often not psychologically geared to take full advantage of the changing conditions or increased opportunities that occur in their life. Thus the problem of poverty perpetuates endlessly.

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## 12.7 ERADICATION OF POVERTY

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Having noted the root causes of poverty, we can say that the real constraints to growth with equity are located primarily in the institutional or in the politico-

economic sphere. In an underdeveloped country like India where great mass of the people live in abject poverty, a social welfare solution is not suitable. Eradication of the problem of massive poverty is not possible within the prevailing social, political and economic order. In fact, this gigantic problem cannot be resolved without a fundamental transformation of society itself, which would involve redistribution of wealth and equitable sharing of the growing prosperity and changes in the power structure in favour of the poor.

Adoption of an essentially capitalist path of development has accentuated the problem of poverty and the chasm between the rich and the poor. This trend has to be reversed in favour of a truly socialist path of development. The country would have to give first priority to ending the system which has generated inequality and mass poverty. In fact, we have to wage a struggle against socio-economic and political inequalities in order to alleviate the problem of poverty. Land should go to the tiller. The public sector should be expanded rapidly and progressively to encompass the whole economy with increasing participation of workers in management. Labour intensive programmes of development such as housing, irrigation and communication should be given emphasis to remove the problem of unemployment and underemployment. Wages of workers also have to be raised to improve their living conditions. Equal access to essential social services like education and health should be provided to all. Moreover, we have to put an end to the raising consumerist culture, which has a very damaging impact on the society as a whole. Both the rural and urban poor have to organise themselves and fight for effecting such structural changes in society.

**Check Your Progress 3**

- i) Expand these abbreviations and match the following programmes with their dates of commencement.
 

a) NASP	1) 1997
b) SJSR	2) 2001
c) PMGY	3) 1999
d) JGSY	4) 2000
e) VAMBAY	5) 1995
  
- ii) Briefly state in about six lines why emphasis is laid on growth with social justice in the Five-Year Plans since the nineteen seventies.

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iii) What is the basic economic factor responsible for the problem of poverty? Use five lines for your answer.

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## 12.8 LET US SUM UP

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We began this unit by outlining the definition and approaches to the phenomenon of poverty. We said poverty is a multidimensional phenomenon and does not merely indicate lack of money. We outlined the nutritional and the relative deprivation approaches to the phenomenon of poverty. We then moved on to look at poverty as it existed in different periods of time in India like in the ancient, medieval and colonial periods of time. We observed that abject poverty of the masses and affluence of the rich have co-existed in India for centuries. In our discussion of poverty in contemporary India, we first identified the poor in rural and urban India and then moved on to describe the nature and extent of poverty and the linkage between poverty in rural and urban areas. Removal of poverty has been one of India's national primary concerns. We looked at the Five-Year Plans in terms of the approaches adopted towards finding a solution to the problem of poverty. We outlined the programmes launched for the rural and urban poor. We also observed that these measures have been inadequate and we examined the deep-seated economic, political and socio-cultural factors that have generated the problem of poverty. We concluded by pointing out that possibility of eradicating the problem effectively will be high if we adopt a socialistic path of transformation of society where the inequalities between the rich and the poor will be greatly reduced.

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## 12.9 KEYWORDS

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### **Growth Oriented Approach and 'Growth with Social Justice'**

Growth oriented approach which was adopted in the early Five-Year Plans gave major emphasis on raising national income. The development programmes launched with this view treated the whole community in a particular area as a homogeneous unit. But in the growth with social justice approach special programmes have been initiated to benefit the poor and backward sections of the population, especially the scheduled castes, scheduled tribes and women. The cause of social justice has been given some consideration in this case.

## **Nutritional and Social Deprivation Approaches to Poverty**

The nutritional approach to poverty takes into consideration only minimum food intake of a person deemed essential for maintaining his working capacity. But the relative deprivation approach takes into account unequal access of wealth, income, education, political power etc. which are considered essential for average living pattern, activities and participation in social life.

## **Rural and Urban Poverty**

### **Poverty Line**

Poverty Line has been defined differently in the developed and the developing countries. In India, the nutritional approach has been adopted in defining the poverty line. In this case poverty is measured on the basis of minimum food requirements in terms of adequate calorie intake (generally 2250 calories) of a person to maintain his working capacity. People who have lower income than necessary for fulfilling their minimum food requirements are placed below this 'poverty line'. This is a measure of absolute poverty, which does not include non-food essential requirements such as clothing, housing, and education in defining poverty.

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## **12.10 FURTHER READING**

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## 12.11 SPECIMEN ANSWERS TO CHECK YOUR PROGRESS

### Check Your Progress 1

- i) b
- ii) d
- iii) The concept of poverty has many dimensions to it. In economic terms, it can be viewed, as a level of living which is so low that it inhibits the physical, mental and social development of human personality.

### Check Your Progress 2

- i) a) F      b) F      c) T      d) F
- ii) In rural areas, they consist of small landholders, agricultural labourers, artisans and craftsmen. They mainly belong to the Scheduled Castes, Scheduled Tribes and Other Backward Castes.
- iii) A large section of the urban poor belongs to the category of slum and pavement dwellers. The decaying tenements of the slum dwellers and the hutments of squatters are the burning examples of urban poverty. According to 1971 census sixty-six per cent of the households in cities (with a population of more than one lakh) lived in only one room tenements. The National Building Organisation estimated that the shortage of housing units increased from 14.5 million in 1971 to 16.7 in 1977. The head count ratio of the urban poor constitutes 23.6 per cent of the total population (National Sample Survey 1999-2000).
- iv) The five factors have been
  - i) unequal distribution of wealth
  - ii) pattern of per capita expenditure in consumption
  - iii) the pattern of possession of assets
  - iv) illiteracy and health
  - v) regional differences in patterns of poverty.

### Check Your Progress 3

- i)
 

a)	National Social Assistance Programme	1995
b)	<i>Swarna Jayanti Rozgar Yojana</i>	1997
c)	<i>Pradhan Manthri Gramodhaya Yojana</i>	2000
d)	<i>Jawahar Gram Samridhi Yojana</i>	1999
e)	<i>Valmiki Ambedkar Awas Yojana</i>	2001
- ii) When it was observed that the growth oriented approach was a failure in trickling down of benefits of development to the poor, the Five-Year Plans started giving special emphasis on the cause of social justice. Hence the motto of development since seventies became growth with social justice.
- iii) The basic economic factor responsible for the problem of poverty in India is the highly unequal distribution of wealth in the country among the various social classes and castes.

### Structure

- 13.0 Objectives
- 13.1 Introduction
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  - 13.2.1 What is a Political System?
  - 13.2.2 The Notion of Power
- 13.3 State, Nation and Society
- 13.4 Emergence of Indian Nation State
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  - 13.5.3 Forces which Challenge Nation building Efforts
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- 13.10 Specimen Answers to Check Your Progress

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### 13.0 OBJECTIVES

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After going through this unit, you should be able to

- define a political system and state its constituents
- define and distinguish between state, nation and society
- trace the emergence of the Indian nation state
- describe the strategies and challenges involved in the task of nation building
- define national integration and describe the forces threatening national integration.

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### 13.1 INTRODUCTION

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In the first three units of this Block you learnt about the economic dimensions of social life in rural and urban India. In the following two units of this Block you will look at the political dimension of Indian social life. In this unit we shall discuss some concepts and issues related to politics at national level in India.

Section 13.2 of this unit identifies the political domain in our social life. In the next section, 13.3, we discuss the three inter-related concepts, namely, **nation**, **state** and society. We then relate this general discussion to the emergence of

the Indian nation state in section 13.4. Next, in section 13.5 we examine the strategies and challenges associated with the task of **nation-building** in India. Finally, the last section, 13.6, deals with the issue of national integration.

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## 13.2 THE POLITICAL DOMAIN

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Let us here identify the political domain in our social life. For this purpose, we first discuss that the power dimension of social relationship is recognised as a **political system**. Then, We look at both the wider and restricted meanings of the term power.

### 13.2.1 What is a Political System?

We find that for establishing social relationships people interact with one another. In doing so, they very often pursue their self-interests. These self-interests sometimes run contrary to the interests of others as also to the interests of the society. To serve their own interests people use the means of power and control the interests of others. This situation invariably leads to conflict. For maintaining an orderly arrangement of social relationships, we need to both resolve the conflict and coordinate diverse activities of people. This is generally done by exercising power and imposing some kinds of constraint on people's behaviour. When social relationships are organised around the dimension of power, we say that we now move from the general area of social interaction to a more specialised area of power relationships. When the power relationships are systematised and ascribed specific functions, we speak of them as a political system. Thus, political systems develop whenever the relationships among individual and groups are organised according to the exercise of power and its various manifestations. These might range from sporadic meetings of village elders in simple societies to highly organised states. In order to understand the specific manner in which power operates at the national level, it is appropriate for us to first understand the notion of power and its relation to the definition of political system in general. Then we can also look at its link with the specific case of nation-states.

### 13.2.2 The Notion of Power

The ability to do something or anything, or to act upon a person or things, is the definition of power as given in the dictionary. Viewed in this way, power is a basic concept in social sciences. It implies the influence that any person, group or organisation brings to bear on the actions of others. In this sense, anyone seeking to serve an interest by eliciting a response from others is described as exercising one's power. This means that one has social power, which can be used to make another person do what is wanted. This social power is essentially an aspect of inter-personal relationships.

Let us see what happens if we were to take the use of social power as a criterion to define the political system. This would imply that almost all human actions and interactions would fall in the domain of politics. This would be the widest possible definition of politics. The political scientists do not accept it. Let us see what they have to say.

**Delimiting the Domain of Politics:** The political scientists argue that this view of politics reduces it to the level of a very commonplace and broad subject. They therefore delimit the domain of politics and reserve the term

'politics' to designate the domain where social power is used in public sphere rather than in private sphere. Thus, for example, what happens within the family, in terms of power relations, is not included in the category of politics. When the family or its representative participates in the affairs of the neighbourhood or the village by influencing others' opinions and actions, it is described as politics. Viewed in this way, power and its various manifestations, such as, authority, coercion, force etc. are the recognised terms for discussing politics.

**Concept of Authority:** For further delimiting the special field of political relations, it is useful to apply the concept of authority. It refers to the legitimacy of the use of power. When power relationships in the public domain become regularised, and therefore to some extent predictable, they are also closely guided by the appropriate norms. People acknowledge the right of the political authority to exercise power. This implies the existence of a clear system of acceptance of the political institutions through which the authority or the legitimate use of power is exercised. In other words, power becomes authority because the actors involved in this relationship accept (to a greater or lesser degree) the legitimacy of those issuing commands. They are not physically compelled to comply, they do so willingly. Such systematised political relations are generally referred to as political systems.

**More Restricted View of Politics:** Taking an even more restricted view of politics, sociologists, like Max Weber, confine the political relations to an organisation of individuals. For them, this organisation is to be territorially defined. Secondly it has to be based on the ultimate sanction of physical force. In other words, Max Weber is referring to the notion of state as it has emerged in the modern sense. For the purpose of describing political relations at the national level, we need to focus on this restricted meaning of politics.

But as sociologists, we should not forget that political relationships are also present in those societies, which do not have a specialised political institution like the state. In a large number of tribal societies, political authority is not based on territory. For example, the nomadic tribals like the Gujjar in India and the Roma or Gypsies in Europe have councils to regulate the behaviour of deviant members, to settle disputes, to provide social security to their members. Yet, they do not have a state. In unit 16 of Block 5 of the first elective course in Sociology we have discussed at length these types of political organisations.

Here, as we are dealing with political relations, at the national level, in a society which has a fully developed state, we need to discuss the concepts of state and nation. Only then we can proceed to follow the story of the emergence of nation-state in India.

### Check Your Progress 1

- i) What are the two essential requirements for an orderly arrangement of social relationships? Use four lines for your answer.

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ii) What is a political system? Answer in five lines.

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iii) Define power and authority in the context of politics. Use five lines for your answer.

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iv) What do we mean when we say there is a restricted view of politics? Use seven lines for your answer.

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### 13.3 STATE, NATION AND SOCIETY

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While discussing politics in modern times, we generally talk of the state, the nation and the society. In the context of Western European experience, the three terms are somewhat coterminous. This is not so in the case of many other places. It is, therefore, essential that we first define these terms.

- i) **State:** The state is a political association, which is characterised by
  - a) territorial jurisdiction,
  - b) a more or less non-voluntary membership,
  - c) a set of rules which define the rights of its members by way of a constitution and
  - d) claims to legitimacy of power over its members.

The member of a state is usually referred to as a citizen. More often than not, the state is coterminous with nationality.

- ii) **Nation:** The term refers to group of people who have developed solidarity on the basis of common identity of culture, religion, language and state etc. The national identity of any group, which defines itself as such, may be based on any number of criteria, such as the place of residence, ethnic origin, culture, religion, language.
- iii) **Society:** It is the broadest category of social organisation which includes a large number of social institutions, like kinship, family, economy and polity. In this sense, the term society refers to social relationships which are interlinked. In interacting with each other people form social relationships. Repeated and regularised patterns of social relationships become institutionalised and hence as a relational concept society includes the study of social institutions.

On the other hand, as a substantial concept the term society is a general term which may encompass the state or the nation. It can also be coterminous with either or both of them. For example, the Germanic Society may include the German speaking people of East Germany, West Germany, Austria, Italy, Switzerland etc. Take another example, Hindu society may include the citizens of Nepal, India, Sri Lanka and Bangladesh.

The state may similarly include a number of societies. For example, the Indian State includes diverse societies based on region, religion or language. The tribal societies, such as the Bhil, the Gond or the Naga, form an integral part of the Indian State.

Having discussed the concepts of state, nation and society, we now turn to the nature of politics in Indian society. For this purpose, in the next section, we will discuss the emergence of Indian nation state. You may ask what is a nation state. A nation state refers to a state organised for governing a nation, or perhaps two or more closely related nations. The territory of such a nation is determined by national boundaries and its law is determined, at least in part, by national customs and expectations. In this sense, India can also be discussed as a nation state and to discuss the nature of its national politics, we must first look at the way in which the Indian nation state emerged.

### Check Your Progress 2

- i) What is a society? Use about five lines for your answer.

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- ii) What is a nation? Use about three lines for your answer.

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iii) What is a state? Use about three lines for your answer.

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### **13.4 EMERGENCE OF INDIAN NATION STATE**

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Indian national politics is influenced by the historical experience of nation-building. This experience is marked by efforts to bring together a large number of social groups in a common national identity. The nature of national politics in the post-independence period can be easily grasped if we outline a brief sketch of the historical experience. Here, we first describe the situation in India before 1858, when there was a relative absence of the idea of nation. Then we look at the period of British rule when growth of nationalism took place in India.

#### **13.4.1 Absence of the Idea of a Nation before 1858**

Before the advent of the British rule in India and establishment of sovereign rule of the British crown in 1858, India was characterised by a large number of small and large political units. These units waged a constant struggle to maintain their authority over the dominions and protected themselves from the attacks by other political units. Although there were some large scale empires such as the Maurya, the Gupta, the Chola and the Pandya, the entire country that we know of as India was never united politically under any rule. As such, we had no ‘Indian State’ to speak of until the British imposed their **hegemony** on India.

This does not, however, mean that we had no Indian national identity. Even without a politically unified territory, many factors combined and gave the country an identity of oneness. Although people lived all their lives in villages, these villages were not as self-contained isolated islands as was made by some Western scholars. People moved for marriage, for pilgrimage and for trade. The religious beliefs, practices and institutions provided the people a unifying force (Kothari 1986). One example of the unity can be seen in the setting of four seats of religious authority in four corners of India by Adi Sankaracharya. We may thus see the awareness of commonality, however nebulous it may be. This awareness grew out of one’s participation in the world which existed beyond one’s immediate geographical area. This consciousness did not, however, get translated into the political domain and we had therefore no national identity in the sense in which we talk of it today. The identity of the commonality that we had before the British can perhaps be best expressed as a cultural identity as a nation and not as a political identity as a nation.

#### **13.4.2 Growth of Nationalism in India**

The establishment of the British rule, although it enslaved us, paradoxically also started a process of our liberation. It made us think of ourselves as not

only a cultural unity but also as a political unity. The growth of nationalism can be seen in the efforts made by Indians for removing the British rule from this country.

Although we were always divided in numerous ways in terms of language, religion, ethnic composition, two factors facilitated the emergence of Indian nationalism.

- i) One was the presence of a common enemy, i.e., the British rule, and
- ii) the other was the existence of a common cultural identity that preceded the unification of India as one state.

The various struggles, violent, non-violent, constitutional, extra-constitutional against the British further unified the diverse groups in India. Thus, Nehru's well-known phrase 'unity in diversity' was not merely a cliché (cliché is a phrase made common by repetition), but a factual description of the Indian experience. Our purpose is, here, not to go into the details of the Indian national movement. Rather we need to discuss how our nation state came into being. For this purpose we shall in the next section describe how during the post-Independence period a modern nation state developed in India. We should also remember that the process of nation-building was not complete on attaining independence. It is, in fact, a continuing process and is reflected in the nature of politics. We can also say that it is a process of translating cultural identity into a political national identity. Let us now look at the nature of politics in independent India so that we can make out how this translation takes place.

### Activity 1

Read a book written by Mahatma Gandhi like *My Experiments with Truth* or by Jawaharlal Nehru like *The Discovery of India* or by any other leader of the national movement for independence on the freedom struggle. Look at what the author has to say about

- a) the attitude of the British toward the Indian leader's cause for freedom
- b) the people who joined hands in freedom struggle (men/women from different regions, castes, classes and religions)
- c) the important events which marked the struggles for independence

Make a two-page note on the above points and discuss, if possible, your note with the notes of other students in the study centre.

## 13.5 NATURE OF POLITICS IN INDEPENDENT INDIA

The major task for the independence movement was not merely to attain political independence from the British rule but also to develop a modern nation state. We can say that some definite steps in this direction were taken at the political level while others were at the economic level. We can discuss both types of strategies followed in India for nation-building.

### 13.5.1 Strategy at the Political Level

The political organisation, which was carrying out the activity of nation-building in India, was mainly the Indian National Congress Party. This political party consisted of diverse sections of population and activists, in some cases, with diametrically opposite political ideology. The members of the Congress Party belonged to different strata of society from the so-called untouchables on the one hand and to the Brahmin and Thakur on the other. There were those who swore by Marxism and some others who wanted '*Hindu Rashtra*' and yet others who wanted to promote Islamic nationalism. Such diversity was not accidental. The leaders of the party were drawn from the urban professional classes. They were convinced that nation-building was as important as political independence. Hence the major thrust of their political activity was to bring together as many diverse groups as possible. The same theme is also visible in the politics after the independence of India.

**The Constitution:** The Constitution of India, adopted in 1950, was the first attempt at nation-building. We have a written constitution, which is a comprehensive document. It provides the foundation or the design of the government. Let us see what this design is.

India has a federal government. A federal government in India implies that authority is divided between the centre and the states. The Constitution has established a parliamentary system of government at both the centre and the states. The word 'parliament' has different connotations, the important ones being that it is an assembly of representatives of the people and it is a body of persons gathered for discussion. In our context, parliament refers to the legislative organ of the government. The President is the constitutional head of the country and the council of ministers headed by the Prime Minister. The Prime Minister is the head of the executive which is responsible to the Lok Sabha. The parliament consists of the President and the two Houses, namely the Council of States (Rajya Sabha) and the House of the People (Lok Sabha).

In the states, the council of ministers is headed by the 'Chief Minister' who is responsible to the Legislative Assembly. Every state has a legislature. Some states have one House while others have two. Where there is one House it is known as the Legislative Assembly or *Vidhan Sabha* and where there are two Houses, one is called the legislative Council (*Vidhan Parishad*) and the other is known as Legislative Assembly (*Vidhan Sabha*). India is a parliamentary democracy and this means that the government is derived from public opinion. It requires political parties, rule by the majority and a responsible government through discussion. Figure 13.1 shows the different constituents of Indian national politics.

By way of building up a united nation state the Constitution of India also lays down, among other things, some "Fundamental Duties" of Indian citizens. Some of them are (a) to abide by the Constitution and respect its ideals and institutions, the National Flag and the National Anthem, (b) to promote harmony and the spirit of common brotherhood amongst all people of India, (c) to protect natural environment, (d) to develop the scientific temper, humanism and the spirit of inquiry and reform, (e) to value and preserve the rich heritage of our composite culture and so on. Our Constitution not only provides fundamental rights to citizens but also gives directives to the state to provide the necessary

economic, social and political benefits to the citizens. It goes to the credit of the leaders of the early phase of independent India, who were sensitive to the potential disruption of the Indian polity. Our national leaders believed that the Constitution of India would help to integrate the people into a united nation.

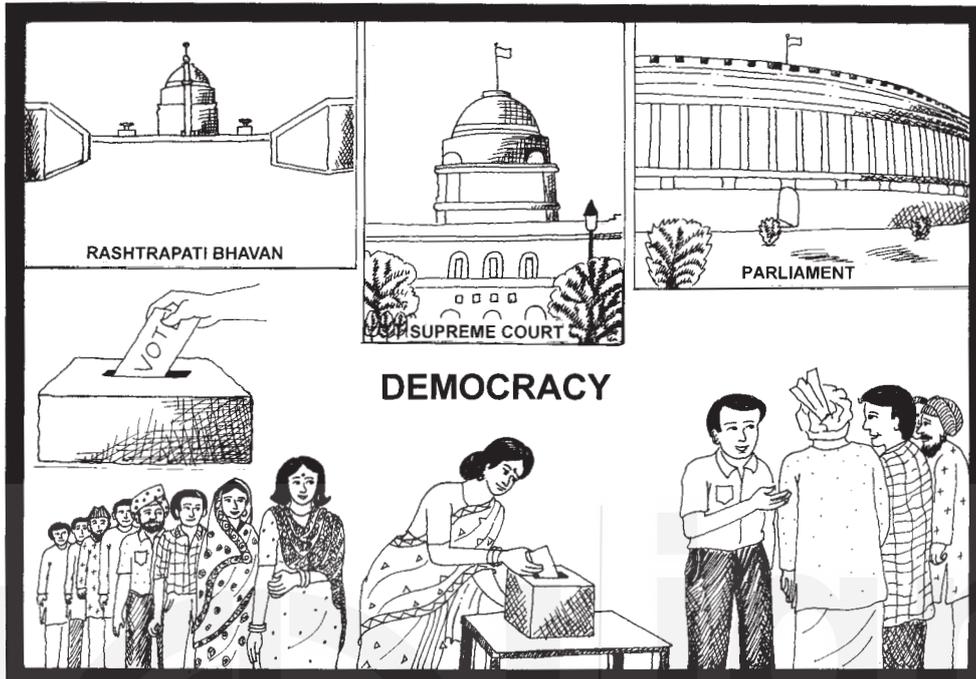


Fig. 13.1: National politics

**Socialist Pattern:** The adoption of socialist pattern of society in order to curb or reduce inequalities in society constituted another attempt of the Indian polity toward nation-building. This too helped to contain divisive tendencies. The inclusion of as many segments of the population as possible was achieved by granting special privileges to the scheduled castes, the tribals, the backward classes, the other backward castes and the religious minorities.

One of the remarkable features of the early phase was that despite the struggle for political power, political parties had no major dissension regarding the thrust of politics. The thrust was to keep together diverse elements of the population and to include the hitherto excluded categories into the mainstream of national politics.

You should keep in mind that the process of nation-building is not yet complete. This is one reason why we cannot and should not say anything much with finality about this process. Instead, we should now turn to the process of nation-building at the economic level.

**Check Your Progress 3**

- i) What are the two factors, which have helped the emergence of Indian nationalism? Answer in four lines.

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- ii) Outline the attempts at nation-building at the political level? Use four lines for your answer.

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- iii) State whether the following statements are true or false. Mark a T for true or F for false against each statement.

- a) The Members of the Indian National Congress Party at the time of attainment of independence were drawn from one caste mainly.
- b) A federal government denotes that authority is divided between the centre and the states.
- c) India is a parliamentary democracy.
- d) The parliament consists of the President and the two houses namely the Lok Sabha and Vidhan Sabha.

### 13.5.2 Strategy at the Economic Level

The second major step taken by the political leadership was the economic resurgence of the country. Any political regime gains legitimacy when it can satisfy the needs of the people. The satisfaction of the people in turn depends upon the availability of goods to be distributed. Hence the first task for the Indian state was to build the economy. This was more so in the light of the bad shape of Indian economy at that time. The colonial policies of the British were largely based on exploitation of the raw materials available in India at cheapest possible rates, to be used by industry in Britain. India was used as market place for their finished goods. The result of the policy was that industry did not develop in the country. The little industrialisation that took place during the British rule was due to its importance in international politics. This did not at all help the economic development of the country. Thus, it was inevitable that after the independence, definite steps were taken to revise the economy. Formulation of Five-Year Plans for regulating the economic activity was one such step. For this purpose the Government of India established the Planning Commission.

The planning process is not merely an economic activity. It is also a political activity. The Planning Commission not only decides about which sector has to produce how much, it also allocates projects to various states. This is where political decisions have to be made. Let us take a concrete example. Suppose the government decides to establish a steel plant. It is not only in terms of the economic viability of location of a steel plant that a decision is made. The Commission takes into account the costs and benefits in economic terms and it also considers the decision in terms of possible offsetting regional imbalance in location of industries. Similarly, the balance has to be maintained between the various interest groups, which have emerged around different sectors of the economy. For this purpose, take the simple example of the use of electric power. How much electricity should be made available to industry as against

agriculture is a political decision. In the economic sphere, as in the social and political spheres, national politics has followed the policy of reconciling different interests and thereby avoiding conflicts to surface.

The Indian nation state not only concentrated on making available goods for distribution, but it also decided to follow the path of distributive justice. Distributive justice refers to achieving a fair and equal distribution of goods and services among all people. The intentions for distributive justice are clear in India's adoption of a socialist pattern of society. A socialist pattern of society denotes that people have equal opportunities and equal rights. The state as an administrative device guarantees individuals their rights. It distributes goods and services equally and fairly for the welfare of the people. It also strives for elimination of rigid systems of control. For example, private property is permissible in India, but only in so far as it does not amount to a system of control of the owner over another who does not own it. We can also find instances of distributive justice in many social legislations, such as the Industrial Disputes Act, which protects the rights of the industrial workers, or, the Untouchability Offences Act, which protects the untouchable castes from discrimination or the Hindu Marriage Act, which grants rights to Hindu women. Thus our nation-building efforts involve not only goals of development but also equality and social justice. The latest in terms of strategy at the economic level is adoption of the New Economic Policy of liberalisation of economy. About this step you here already read in Unit 12 and therefore we would now proceed to look at the factors, which have challenged our efforts for nation-building.

### 13.5.3 Forces which Challenge Nation-building Efforts

A host of interrelated factors have disrupted efforts to achieve goals of equality and social justice as well as building a nation state. We can see at least three main forces.

- i) The diversity of groups which constitute Indian society
- ii) Regional and cultural identities
- iii) Casteism.

Let us take a brief look at each of these forces.

- i) **Diversity of Constituents:** India is a heterogeneous society. It is made of a number of diverse groups. The first potential threat to the Indian nation state lies in this plurality. The Indian society was and is divided in terms of religion, caste, language and ethnic origin.

The British were able to somewhat control the diverse groups by following the policy of pitting one group against the other. But the divisive tendencies were sharply manifested even during the nationalist movement when different groups apparently united to remove the British rule from India.

One of the more serious challenges that Indian national leaders in India face even now is how to integrate the interests of the divergent groups. Each of them has its own distinctive aspirations, history, and way of life. Attempts to minimise confrontation between conflicting groups do not always succeed. As we have already seen, the adoption of an egalitarian

model of society is one important strategy to contain the divisive tendencies. It is, of course, necessary that these divisions are not allowed to threaten the nation state.

- ii) **Regional and Cultural Identities:** The task of nation-building has also faced a threat from regionalism. We find that national politics in our country is still marked by emergence of regional nationalities. This is quite evident in the formation of states on linguistic basis. It is also evident in demands by some regional identities such as the Gorkha for Gorkhaland and by some tribals for a separate Jharkhand state before November 2000. But there have been instances that the government of India conceded to such demands for a separate state. The agitation started by the Jharkhand Mukti Morcha for a separate state impelled to establish the Jharkhand Area Autonomous council in 1995 and finally a full-fledged state in November 2000 (India 2003).

You should not take this to mean that the regional identities should not be emphasised. Some may like to argue that regionalism does not augur (foretell) well, it harbinger political disintegration of the country. But as the nation has faced such problems earlier, the process of reconciliation has given its polity the ability to accommodate regionalism within its orbit. The **politics of reconciliation** harmonises the diverse interests of various groups in a national framework.

Despite the early gains of consolidation of the nation state, diverse cultural identities asserted themselves. One example of this is the opposition in the southern states to Hindi as the national language. Another example is the demand for reorganisation of states. Yet another example is the assertion by religious minorities of their right to regulate the lives of their members.

As a matter of fact, the national level politics has recognised the existence of regional and cultural identities and the central government has even provided legal sanctions. The Constitution of India recognised fifteen national languages till 1992. In 1992 through a Constitutional Amendment (71st Amendment) three more languages were added to the Eighth Schedule and making the list of national languages to 18. As on 2003 there are 18 national languages included in the Eighth Schedule of the Constitution (India 2003). It allows each state to carry out its administration in the regional language. It does not interfere in the religious, social and political activities of the minorities. To some people this may appear to provide special protection to the minorities. The number of people holding this view is not very small. But then there are others who consider protection of the rights of minorities as a major gain for the nation. This keeps the nation state together and forges a political unity.

- iii) **Casteism:** The issue of casteism in national politics has been discussed again and again by a number of people, public men, scholars and laymen alike. Caste is one of the more distinguishing institutions of Indian society. Its role in the political sphere is of recent origin. It is widely observed that caste has become the major basis for political articulation. This is so mainly because caste provides the mechanisms for bringing people together. This is also the requirement for a successful democratic state. By politicising the institution of caste, political process in India has assumed a unique

character. Political parties in India are formed on the basis of caste alliances and voting behaviour of the Indian electorate can be described in terms of caste identity.

As casteism is considered a social evil and caste ideology does not go well with the egalitarian model of a socialist society, role of caste in national politics is viewed as a necessary evil. It is seen a factor which poses a challenge to the task of nation-building. All the same in the absence of an alternative basis for people to come together, caste continues to play a decisive role in Indian national politics.

From what we have discussed so far, it is obvious that the task of building a nation state is not an easy exercise. A growing realisation is that national integration is the key to achieving a political identity. We shall in the next section discuss the concept of national integration.

#### Check Your Progress 4

- i) What was the strategy at the economic level to build up a nation state? Use five lines for your answer

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- ii) What are the three main forces, which pose a challenge to nation-building efforts? Use two lines for your answer.

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- iii) State whether the following statements are true or false. Mark a T for true or F for false against each statement.

- a) The politics of reconciliation involves efforts to harmonise the diverse interests of various groups in a national framework.
- b) In India each state does not have the right to carry out its administration in its own regional language.
- c) Caste is one of the important basis for political articulation.

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### 13.6 NATIONAL INTEGRATION

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National integration is a process of developing the different parts of the national social system into an integrated whole. In an integrated society, social institutions and values associated with them have a high degree of social acceptance.

However, linguism, communalism, social inequalities and regional disparities are some of the factors, which threaten the ideal of national integration in India. Let us look at each of them one by one.

- i) **Linguism:** India is a multi-linguistic nation. Language has become, specially since Independence, a powerful source of political articulation. For instance, in the South, particularly in Tamil Nadu, language sentiments have been propagated among the people for getting power within state politics.

The language problem has two aspects, namely (i) medium of instruction at the level of school, college and public service examinations, and (ii) meeting the demands of non-Hindi and Hindi-speaking radicals.

Responding to the first aspect, the Government of India decided to implement a three-language formula. This consists of (a) teaching the regional language, or mother-tongue when the latter is different from the regional language, (b) Hindi or another Indian language in the Hindi speaking area and (c) English or another modern European language. Today for the Union Public Service Commission in India examinations can be written in Hindi or English or in any regional language of the country.

Regarding the second aspect of the language problem, namely, demands of Hindi and non-Hindi speaking radicals, the Government of India passed the Official Language (Amendment) Act, 1967. This Act decided that English will continue to be the official language of the Indian union for all the non-Hindi speaking states until these states themselves would opt for Hindi (Kishore 1987: 41). Thus, Hindi is today only one of the official languages of the Indian Union. The provision made under the above mentioned Act and the three-language formula have helped to reduce the possibility of conflict on the basis of language.

- ii) **Communalism:** Broadly defined, communalism refers to the tendency of any socio-religious group to maximise its economic, political and social strength at the cost of other groups. This tendency runs counter to the notion of the secular nation state that India purports to be. Secularism in the Indian context is defined as the peaceful coexistence of all religions without state patronage to any of them. The state is to treat all of them equally. Yet, in a secular state like India, we very often hear, see and read about communal conflicts. While making conscious efforts towards the goals of democracy and socialism, the Indian nation state has not been free of communal clashes (Kishore 1987: 69).

### Activity 2

On the basis of the information you have gathered from newspapers, magazines, radio and TV about caste and politics note down the following facts.

- i) Caste composition of major political parties in your state  
ii) What role did the caste factor play in your state in the last Lok Sabha elections?

Describe the role of caste in terms of the issues raised in the election campaign.

- iii) **Social Inequalities:** In every society, there is a system of social stratification. Social stratification refers to inequality in society based on unequal distribution of goods, services, wealth, power, prestige, duties, rights, obligations and privileges. Take for example, the social inequalities, created by the caste system. Being a hereditary and endogamous system, the scope for social mobility is very little. Social privileges and financial and educational benefits are by and large accessible to only upper caste groups.

Processes of change, such as democratisation, westernisation and modernisation, have helped to broaden the accessibility to privileges to a wide range of people. Today caste and politics are also very closely associated. Various commissions for backward castes have been formed for reserving seats for their members in educational and occupational spheres. This is a reflection of the politicisation of caste affiliations. While measures to uplift the hitherto exploited and suppressed section of the population are necessary, overemphasis on caste identities has a disintegrative effect on the process of nation-building.

- iv) **Regional Disparities:** The unequal development of different regions of India has negatively affected the character of national integration. The unequal development has become the major cause of many social movements after the independence. For instance, the erstwhile Jharkhand movement, which involved tribal groups from Bihar, M.P, Bengal and Orissa, stressed the backwardness of the region among other issues. While demanding a separate state, people involved in this movement argued that the rich natural resources of the area have been drained out to benefit others. The dissatisfaction caused by the perceived and/or actual threat of material deprivation has led people to think that the socio-economic development of their region is not possible if they continue to be a part of the Indian Union. Finally the National Government conceded their demand for a separate state and the three new States of Jharkhand, Uttaranchal and Chhattisgarh were formed in November 2000. The demand in the case of Jharkhand was for a State comprising of tribal areas of Bihar, Orissa, Madhya Pradesh and West Bengal. The new State was created encompassing only parts of Bihar State. The regional disparities in terms of socio-economic development have at times proved to be a threat to the concept of united nation state.

In brief, we can summarise this section by saying that various forces pose a challenge to national integration in India. The government and those concerned with the task of nation-building have utilised many strategies, like planned socio-economic development and expansion of education and mass communication and at times even reorganising the existing states to strengthen and promote the concept of national integration.

### Check Your Progress 5

- i) What is national integration? Use four lines for your answer.

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- .....
- ii) What are the factors which threaten the ideal of national integration in India? Use four lines for your answer.

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- iii) State whether the following statements are true or false. Mark a T for true or F for false against each statement.

- a) The three language formula was adopted by way of responding to the problem of medium of instruction at school, college and public service examinations.
- b) Hindi is the only official language of the Indian Union today.
- c) India is a secular state.

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### 13.7 LET US SUM UP

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In this unit we discussed the various aspects of national politics. First we identified the political domain in which we discussed the notion of power and its dimensions. We then moved on to define concepts like state, nation and society. In the context of Indian national politics we briefly traced the emergence of Indian nation state and the strategies adopted at the national level to build up a nation state. We also looked at the forces, which have challenged the task of nation-building. In our last section we outlined the issues related to the task of national integration, which we said, is essentially a process of building up a nation state.

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### 13.8 KEYWORDS

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<b>Hegemony</b>	Imposition of power by a small group of people over a large number of people
<b>Nation</b>	A group of people identifying themselves as such on the basis of political and cultural commonality
<b>Nation-building</b>	The process of development of national identity
<b>Politics of Reconciliation</b>	The political processes that reconcile divergent political interests
<b>Political System</b>	Those arrangements of society, formal or informal, which are based on power and wherein authoritative decisions are made

A political association characterised by territorial jurisdiction, non-voluntary membership, definable rights and duties of members and monopoly over legitimate use of power

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## 13.9 FURTHER READING

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Kishore, Satyendra 1987. *National Integration in India*. Sterling Publishers: New Delhi

Kothari, Rajni 1986 *Politics in India*. (First printed in 1970) Orient Longman: New Delhi

Wallace, Paul and Ramashray, Roy (ed.) 2003. *India's 1999 Elections and Twentieth Century Politics*. Sage Publications: New Delhi

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## 13.10 SPECIMEN ANSWERS TO CHECK YOUR PROGRESS

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### Check Your Progress 1

- i) Co-ordination of people's different activities and resolution of conflict emanating from clash of interests are the two requirements for an orderly arrangement of social relationships.
- ii) A political system refers to a system of social relationships among individuals or groups organised around the exercise of power and its various manifestations. The manifestations refer to authority, coercion and force.
- iii) Power is the ability to achieve whatever effect is desired. It implies the influence any person or group or organisation has on the action of others. Authority is the legitimisation of power. Both the concepts are used in the context of politics.
- iv) A restricted view of politics confines the definition of political relations to an organisation of individuals who live in a particular territory. This organisation is also based on the sanction of physical force. This restricted view fails to take note of such political relations, which are not territorially defined.

### Check Your Progress 2

- i) Society refers to social relationships that are inter-linked. It is also a category of social organisation, which includes a large number of social institutions like kinship, family, economy, polity and communities and association.
- ii) A nation refers to groups of people who have developed solidarity based on common identity of culture, religion, language and state.
- iii) A state refers to a political association, which is characterised by territorial jurisdiction, non-voluntary membership, and a constitution. It also claims to have legitimacy of power over its members.

**Check Your Progress 3**

- i) The two factors which facilitated the emergence of Indian nationalism are (a) the presence of a common enemy (b) the existence of the cultural identity of oneness that preceded the unification of India as one state.
- ii) The adoption of a constitution and a socialist pattern of society constituted the major attempts at nation-building at the political level.
- iii) a) F  
b) T  
c) T  
d) F

**Check Your Progress 4**

- i) The five-year plans constitute an important strategy at the economic level for nation-building. The Planning Commission is given the responsibility of deciding which sectors has to produce how much and what projects have to be allocated to each state. The principle of distributive justice guides the distribution of goods and services.
- ii) The three main forces are diversity of constituents, regional and cultural identities and casteism.
- iii) a) T  
b) F  
c) T

**Check Your Progress 5**

- i) National integration is a process of integrating the various and diverse elements of a national social system into a unified whole.
- ii) The factors, which threaten the ideal of national integration in India, are linguism, communalism, social inequalities and regional disparities.
- iii) a) T  
b) F  
c) T

## Structure

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## 14.0 OBJECTIVES

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After going through this unit you should be able to

- state the meaning of region, regionalism and state in the context of Indian Polity
- describe the process of regionalism in Indian Politics
- examine the geographical, historical and cultural, economic and politico-administrative bases of regionalism
- explain the different forms of state and regional politics in India
- discuss the significance of regionalism for national politics.

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## 14.1 INTRODUCTION

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In the previous unit of this Block we looked at certain aspects of national politics. We focused mainly on the issue of nation-building. The unit on National Politics provided the framework for looking at politics at the regional and state level. In unit 14 we are going to discuss some important dimensions of state and regional politics. We begin the unit by defining the terms region, regionalism and state in section 14.2. In section 14.3 we elaborate a little more on the issue of regionalism in Indian politics. From here we move on to discuss bases of state and regional politics. The geographical, historical, cultural, economic and politico-administrative bases are examined in section 14.4. In section 14.5 we describe the various forms of state and regional politics. Significance of regionalism for national politics is outlined in section 14.6.

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## 14.2 REGION, REGIONALISM AND STATE

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Region, regionalism and state are closely interrelated concepts. Let us look at each of them separately and see how they are significant for our discussion of Indian Polity.

### 14.2.1 Region

The term region is difficult to define. It is understood in different ways in different contexts. However, it has been generally defined as “a homogeneous area with physical and cultural characteristics distinct from those of neighbouring areas” (IESS 1972: 377).

A region can subsume a number of nations such as Arctic region, the region of South East Asia, the Far Eastern region, and so on. A region can be used for a nation such as the sub-continent region of India. It can be used for the eastern region, western region, northern region or southern region in India. The states in India also form distinct regions. Further, there can be sub-regions within a state like the Telangana region in Andhra Pradesh, Vidarbha region in Maharashtra, etc. A village area can also be referred to as a region. Thus, region is a relative term, the meaning of which changes with its usage. When we talk of a region, what we generally imply is that it is socio-culturally distinct and that it is sufficiently unified to have a consciousness of its customs, traditions, values and ideals. Because of this consciousness the people of the region possess a sense of identity distinct from the rest of the regions be it a nation or a continent or the earth itself.

### 14.2.2 Region and Indian Polity

Let us now see how this concept is significant for our discussion of Indian polity. A region is characterised by a widely shared sense of togetherness among the people. This togetherness results from a wide variety of sources like geography, **topography**, religion, language, customs and mores, political and economic stage of development, way of living, commonly shared historical experiences, etc. Region provides the basis for the emergence of regional identity. It results in loyalty towards the region and ultimately takes the shape and form of regionalism. It gives way to regional politics.

The politics of regionalism in India has both positive and negative aspects. Speaking in positive terms, it implies an intense desire for concretising an identity based on such interest as ethnic, language, religion, etc. For example, the erstwhile Jharkhand movement which covered wide regions of Bihar, Orissa, West Bengal and Madhya Pradesh, had come together as a unified group to protect and promote their socio-economic and political interests. This process involves reaffirming their identity as tribal groups. The movement finally succeeded in forcing the government in reorganising the states and the formation of Jharkhand State came about on 15<sup>th</sup> November 2000 as the 28th State of the Indian Union. It has been carved out of the State of Bihar and it largely comprises forest tracks of Chhotanagpur plateau and Santhal Paragana.

The negative aspects of regionalism is that it can threaten nation-building efforts such as, the demand for Khalistan in Punjab which is giving rise to terrorism and violence within and outside Punjab. The positive aspect has been ignored by most of the analysts of Indian political situation. Analysts of regionalism point out that this phenomenon reflects the psychology of relative deprivation on the part of people of an area. They point out that deprivation is deliberately inflicted on them by those in power, particularly when socio-economic programmes have resulted in wide economic disparities among various regions. This has led to discontentment and agitation among the backward or not so developed regions of the country.

The concept of region is therefore, closely linked with the concept of regionalism. Now let us see what regionalism means.

### 14.2.3 Regionalism

Regionalism is one of the major forces shaping the nature and texture of Indian politics. It has been found operating in combination with other political forces. It is rare to come across examples of unalloyed regionalism. It occurs in real life in varying mixture with linguism and communalism. There are even examples of regionalism coexisting with casteism. In such cases it becomes difficult to decide whether a given political phenomenon should be called regionalism or some other politically relevant social force like linguism (Mathur 1990: 120-167).

So the question arises what is regionalism. Regionalism can be defined as a phenomenon in which people's political loyalties become focused upon a region. In other words, it implies people's love of a particular region in preference to the country and in certain cases in preference to the state of which the region is a part. Thus the phenomenon of regionalism is centred around the concept of region.

### 14.2.4 State and Indian Polity

We have already defined "state" in the previous unit on national politics. Let us look at it here in greater detail for understanding state and regional politics. State is generally understood in terms of certain common features that it exhibits. These common features generally found in all states are

- i) population
- ii) a fixed territory

- iii) government
- iv) sovereignty.

Let us look at each of them one by one.

- i) **Population:** State being a human institution population is its obvious element. The composition of a state is a significant factor as it defines the nature of that society. A population can be homogeneous, i.e. a population which shares similar language, values, customs, etc. Or it can be heterogeneous, i.e. a population which has different and varied languages, values, customs, as in the case of India.

A nation state was conventionally understood to be derived from the idea of homogeneous population. However, in modern times a nation state is not necessarily connected with a homogeneous population. In modern parliamentary democracies like India, U.S.A. etc. political parties cut across social, religious, linguistic and cultural boundaries. This interweaving of alliances and interests creates a consensus in a plural society.

- ii) **Territorial Boundary:** This is considered to be an essential feature of a state. Land, water and air space comprise the territory of state. The territory of a state may differ from place to place and there are no accepted rules about the total size of the territory of a state.
- iii) **Government:** Government and state are very often used inter-changeably. But basically government is part of the state. It is the machinery for the formulation of public policies and regulation of common affairs. It refers to the organisational aspect of the state.
- iv) **Sovereignty:** According to political scientists the most important characteristic of the state is sovereignty. It implies the supreme power of the state, which might be vested in either one person or in a body of persons. For example, in India sovereignty is vested in the office of the President.

In unit 13 we described the main features of the Indian nation state. We said that the Indian nation state is a parliamentary democratic republic which has all the associated components like a parliament, “responsible” cabinet (one which is accountable to its people), independent judiciary, electoral machinery, and so on which qualify it to be called a democratic state. Till 2000 the Indian nation comprised of 25 states and 7 union territories. In the year 2000 three more states were added to the list of states. These were Chhattisgarh, Uttaranchal and Jharkhand. An area having a distinct cultural regional identity was carved out of Madhya Pradesh and the State of Chhattisgarh was formed on 1st November 2000 as the 26th State of the Indian Union. The 27th State of the Indian Union, Uttaranchal, which was carved out of Uttar Pradesh, came into being on 9th November 2000. As mentioned earlier Jharkhand, which was formed on 15th November 2000, is the 28th State of the Indian Union. The various States of the Indian Union have been divided primarily on a linguistic basis for administrative purpose. This division and decentralisation of power makes the Indian nation a federal nation and balance of power is created between the Centre and the States.

The Indian Constitution has established a ‘dual polity’ consisting of the Union Government at the Centre and State Government at the periphery. In fact the

founding fathers of the Indian Constitution called India as “Union of States”. By this they indicated among other things, that the country and the people were divided into different states for convenience of administration and that the country was an integrated whole living under the rule derived from a single source, namely the Constitution.

In order to regulate the relationship between the centre and the states and also to preserve the identity of the centre as well as of each state, the Constitution of India has prescribed separate areas of operation and interaction for centre and states. The areas relate to legislature, administration, finance, planning and development and trade and commerce.

The Constitution has assigned certain powers to the centre and certain powers to the states. The powers have been enlisted under three headings.

- 1) **The Union List (List I):** This list gives the centre exclusive authority to act in matters of national importance. The Parliament has the power of making laws with respect to such matters like defence, foreign affairs, railways, currency etc.
- 2) **The State List (List II):** This list gives the state matters like police, local government, public health etc.
- 3) **The Concurrent List (List III):** This list consists of subjects on which the Parliament and State Legislatures can make laws. The subjects include education, agriculture, marriage, divorce, transfer of property etc. In case of a conflict between the Central law and State law with regard to subjects in List III, the Central law prevails over the State law.

By and large in the legislature sphere the centre is given a greater scope for intervening in the legislature of the state. In administrative and financial spheres too, the dominant position of the centre vis-a-vis the state can be seen. For instance, the centre exercises administrative control over the states through the All India Services like IAS and IPS. The recruitment for these services are done by the centre. Persons recruited through the All India Services hold key positions in both the central and state government administrations. Thus these services try to ensure administrative uniformity, cohesion and national integration.

Against this pattern of division of powers and responsibilities between the centre and the state prescribed by the Constitution we can examine some important issues relating to state politics in India. Many states are dissatisfied with the amount of power and autonomy given to them. They often resent the legislative, administrative and financial control the centre has over them. The role of the Governor (a post controlled by the centre), the right of the centre to impose President’s Rule in a state, the control of the mass media by the centre are some of the important factors which generate centre-state friction.

Apart from issues, which involve centre-state relations, there are other issues in state politics, which are generated by factors within a state. Caste, language, political parties tribal identities, immigration, unequal development of different sectors within a state are some of the important factors which throw light on the nature of state politics. We can cite many examples relating to politics based on intra-state issues. In Karnataka sometime ago there was a confrontation

between the Kannada speaking and Marathi speaking sections of the population. In Assam, the Bodos want to form a separate state of their own as they feel their ethnic interests are at a stake if they remain a part of the state of Assam. In Tamil Nadu, the anti-Brahmin movement challenged the socio-economically advantageous position that the Brahmins enjoyed hitherto.

When many states have similar demand or the same woes, they merge together over an issue, thus providing the ground for regional politics. When an issue transcends the boundary of a particular state, we then talk of a regional issue.

The socio-cultural and economic diversity in India gives rise to regionalism and regional politics. In the next section we will trace the development of regionalism.

**Check Your Progress 1**

- i) Define the concept of region in about five lines.

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- ii) State whether the following statements are true or false. Make a T or F against each statement.

- a) Region is a reality term, the meaning of which changes with its usage.
- b) A region is usually characterised by a widely shared sense of togetherness among people.
- c) Regionalism is a totally negative phenomenon.

- iii) What are the four common features found in many states? Use three lines for your answer.

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### **14.3 REGIONALISM IN INDIAN POLITICS**

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Regionalism is a pre-independence phenomenon. It became predominant in post-independence period. The politics of regionalism started with the implementation of constitutional reforms under Government of India Acts of 1909,1919, and 1935. The establishment and role of Justice Party in Chennai, and to a lesser extent, of Akali Dal in Punjab in pre-independence period are examples of emerging regionalism in India.

After independence there are four major landmarks in the development of regional politics.

- i) After independence, democratic form of government was established. Its main aim was nation-building on the principles of democracy, **secularism** national unity and social justice. All parts of the country wanted a fair deal in nation-building. They started competing with each other for their development. Anything short of expectation led to **disenchantment** and it resulted in the emergence of regional politics.
- ii) There was integration of the Princely States. Small states were integrated with the big states. People continued to nurse loyalties to old territorial units. This was the most important factor for the success of Princes in elections. The Princes often received overwhelming support in their former territories in the newly created states and relatively much less in other parts of the same state.
- iii) Reorganisation of states on linguistic basis also played a very vital role in the development of regional politics. Twenty eight states were reshaped and reduced to 14 states along with centrally administered territories. Later new states were created, then for example Bombay was divided into Gujarat and Maharashtra, Punjab into, Punjab and Haryana. But these states were not constituted entirely on linguistic basis. Many other factors like ethnic-cum-economic considerations gave us Nagaland, Meghalaya, Manipur, Tripura, Jharkhand, Haryana, Punjab and Chhattisgarh. Language-cum-culture factors created Maharashtra, Gujarat and Uttaranchal; historical and political factors are responsible for U.P. and Bihar; integration of princely states in and need for viable groupings gave birth to M.P. and Rajasthan; language and social distinctiveness resulted in the creation of Tamil Nadu, Kerala, Mysore, Bengal and Orissa. Thus various factors have played a decisive role in the composition of the Indian federation.

In spite of all these considerations, language remained the most important factor in the reorganisation of states. It became such an important force in the context of regionalism that linguistic regionalism gained ground in Indian politics.

- iv) Another factor which gave rise to regional and parochial tendencies in the country was the personal and selfish ends of politicians. Immediately, after Independence the struggle for power started among some parties. For enhancing their own authority and prestige, the regional and state leaders did not hesitate to weaken the authority of the centre or in some cases of states. The creation of more states meant more governors, chief ministers, Members of Legislative Assembly or MLAs etc. The professional politicians explored the narrow and sectarian sentiments of ignorant masses for fulfilling their personal and selfish ends. Keeping these landmarks in mind, let us now examine the bases of regional and state politics.

## **14.4 BASES OF REGIONAL AND STATE POLITICS**

Regionalism is a multidimensional phenomenon. Its bases are varied. Here we will discuss the geographical, historical, cultural, economic and politico-administrative bases of regionalism.

### 14.4.1 Geographical Basis

Usually people relate their regional identity to certain specific geographical boundaries. After independence integration of Princely States resulted in the merger of small states into new big states. The loyalties of citizens were torn between old territorial boundaries and new territorial structures. As pointed out earlier this was the major factor responsible for the success of princes in elections particularly when they contested from their former territories in the newly created states. However, it would be wrong to over estimate the importance of geographical boundaries. It is true that memories of old geographical boundaries of princely states still haunt the people and are exploited by political leaders but it can hardly be denied that they are yielding place to new and bigger territorial identities like Rajasthan, Madhya Pradesh and Orissa.

### 14.4.2 Historical and Social Bases

Historical and social bases constitute the bedrock of the politics of regionalism. Several components in this category are not only important individually but also in conjunction with each other.

- i) **History:** It supported regionalism with cultural heritage, folklore, myths and symbolism. The most striking example is that of Dravida Kazhagam (DK) and the Dravida Munnetra Kazhagam (DMK) in Tamil Nadu and Shiv Sena in Maharashtra and Telugu Desham (TDP) in Andhra Pradesh. But history cannot be considered as the most important basis of regionalism. Economic and political factors have combined with history to generate regionalism. This can again be seen in the change in the stand of DMK from secession to one of autonomy within the federal framework of the Constitution.
- ii) **Language:** Language is perhaps the most important mark of group identification. Language expresses the shared life, thought structure and value patterns of people. It has the capacity to unite the people together and make them work to improve their common destiny. In this sense linguistic homogeneity strengthens a positive movement.

As early as 1920, Congress had accepted the principle that language must be adopted as criterion for demarcating the territorial boundaries of provincial units. Establishment of State Reorganisation Commission (SRC) in 1955 was the result of demand for formation of regional units based on linguistic regionalism. SRC could not completely follow the principle of one language one state. This could not be treated as the sole criteria for the demarcation of state boundaries. Bilingual states like Bombay, Punjab, etc. were created. However, splitting up of Bombay in 1960, Punjab in 1966, and Assam since mid-sixties into linguistically more homogeneous states gave further impetus to linguistic regionalism in Indian politics.

If language had been synonymous with region, the political aspiration of every linguistic group would have been satisfied by the formation of separate states. This, however, is neither a reality nor a foreseeable possibility. The first reason being that languages spoken in India run into hundreds. Even if major languages are taken into account, large groups

of linguistic minorities are bound to be left inside the state whose language cannot be enshrined in the constitution as an official language.

Secondly, Hindi speaking people are distributed over a very large territory. Their number is over 300 million at the beginning of twenty first century. One state cannot be created for them. They have been divided into six states namely, U.P, Bihar, M.P., Rajasthan, Haryana and Himachal Pradesh and a couple of Union territories. There has rarely been a demand for the formation of single state of Hindi speaking people. On the contrary there have been demands for separate states comprising languages or dialects within this wider linguistic group. This can be found in the occasional demand for a Maithili or for recognition of Rajasthani, Haryanvi, etc. as scheduled languages in the Constitution.

Thus regionalism is closely associated with language but is not synonymous with linguism. Regionalism can take place inside a linguistic state (for example creation of Marathi speaking Maharashtra). The seven states of North East India refer to themselves as seven sisters. They have tried to form common bonds on the basis of their problems of development. They have also tried to develop a regional identity. These seven states include Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland and Tripura. In other words, language is not the sole generator of regionalism. It is one of the several bases of regionalism in India. In most cases of linguistic regionalism many interrelated factors are usually found to be working together.

#### Activity 1

Take a map of India which has all the States and Union Territories marked on it and identify

- a) the main language spoken in each State and Union Territory
- b) the southern states which were involved in the anti-Hindi movement in the 1960s
- c) the seven states of the northeast India which refer themselves as seven sisters.

- iii) **Caste:** An important example of the caste factor providing impetus to linguistic regionalism can be seen in the case of Tamil Nadu. Tamil regionalism gained ground as a result of non-Brahmin movement. Non-Brahmin castes of Tamil speaking region had been able to provide a powerful united thrust against Brahmins who had earlier enjoyed unquestioned dominance in economy, society and polity.
- iv) **Religion:** Religion like caste does not play a significant role except when it is combined with dominance and linguistic homogeneity as in Punjab or fed on a sense of religious orthodoxy and economic deprivation as in Jammu and Kashmir.

If casteism reinforced and propelled linguistic regionalism in cases of Tamil Nadu, the demand for the formation of Punjabi Suba though presented in linguistic garb had religious overtones. They were mainly responsible for

evoking people’s political loyalties on massive scale rather than their love for their mother tongue. It is difficult to qualify the mix of communalism and linguism in this particular case. But some studies make it very clear that demand for Punjabi language state was certainly reinforced by regular invocation of Punjabi speaking masses’ loyalty towards Sikh religion (Majeed 1984).

Taking into account these three factors i.e. language, caste and religion one can say that the study of regionalism in Punjab and Tamil Nadu makes it very clear that political movements for regional demands were carried out formally in the name of language but in reality they had substantive non-linguistic bases too.

### 14.4.3 Economic Basis

Economic factor is the crux of regional politics. India is a developing country. The resources are limited while the demand for resources for the development of various regions is unlimited or disproportionate to resources. Economic policies have led to regional imbalances and wide economic disparities among various regions resulting in discontentment among them. It may be recalled that most of the demands for constituting new states were primarily based on allegedly unfair and unequal distribution of development benefits and expenditure in multi-lingual states. The erstwhile movements for a separate Uttarkhand state in the hill districts of U.P., a Jharkhand state carved out of parts of Bihar and the demand for a state of Bodoland comprising a part of Assam may be counted as examples of this type. The demand for separate states in these instances are mainly on the belief that these regions have been economically deprived by their respective states. Economic factors have usually assumed prime importance in regional politics.

### 14.4.4 Politico-administrative Basis

The politico-administrative basis of regionalism is also important but politics as such does not create regionalism. It only accentuates regionalism. Politicians take advantage of the situation of regional discontentment and unrest. They convert it into movements for strengthening their individual and factional support bases. It is a known fact that fighting within Congress gave rise to Telangana agitation. Regional political parties like TDP (Andhra Pradesh), DMK (Tamil Nadu), Akali Dal (Punjab) have been surviving because of regional sentiments. Border dispute, like the one between Maharashtra and Karnataka, is also based on regional sentiments. Other important facts of politics of regionalism are the real or assumed charges of political discrimination among various regions by the central ruling elite.

### Check Your Progress 2

- i) What were the four major landmarks in the development of regional politics in India? Use ten lines for your answer.

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ii) List the bases of regionalism. Use six lines for your answer.

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iii) State whether the following statements are true or false. Mark a T for true or F for false against each statement.

- a) Regionalism is not synonymous with Linguism.
- b) Language and religion are the only two bases of regionalism.
- c) Perception of economic deprivation has been one of the root causes for demands for separate statehood.

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## 14.5 FORMS OF STATE AND REGIONAL POLITICS

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Regional Politics has taken mainly four forms.

- i) Demand for state autonomy
- ii) **Supra-state** regionalism
- iii) **Inter-state** regionalism and
- iv) Intra-state regionalism

Here we will be discussing in greater detail only one of the forms of regional politics, namely supra-state regionalism.

### 14.5.1 Demand for State Autonomy

The first and the most challenging form of regional politics was in the demand of people in certain states or regions to secede from the Indian Union and become independent sovereign states. Such demands occurred soon after independence but they are non-existent now. The important examples in this context are that of the Plebiscite Front (Kashmir), Mizo National Front (Lushei Hills of Assam), Nagaland Socialist Conference (Naga Hills District of Assam) etc.

### 14.5.2 Supra-state Regionalism

This implies that more than one state is involved in the issue of regionalism. It is an expression of group identity of some states. They take a common stand on the issues of mutual interest vis-a-vis another group of states. The group identity is usually in relation to certain specific issues. It does not in any way imply the total and permanent merger of identity of the states into the identity of group. Rivalries, tensions and even conflicts do take place among a few states belonging to a group. For example, the rivalry existing between south and north India on such issues as language or location of steel plants illustrates the point. The grouping of the North Eastern States for greater access to economic development is another instance. Let us refer to the language issue once again in order to illustrate how supra-state regionalism is found in India.

South India is separated from North along several differentials, Geographically south is composed of peninsular uplands or Deccan, the mountain ranges of Eastern and Western Ghats and coastal plains. In terms of political history too, south has never been incorporated into the empires of the North. This was done for the first time during the British regime. Some of the regional and state issues of regionalism are shown in figure 14.1.

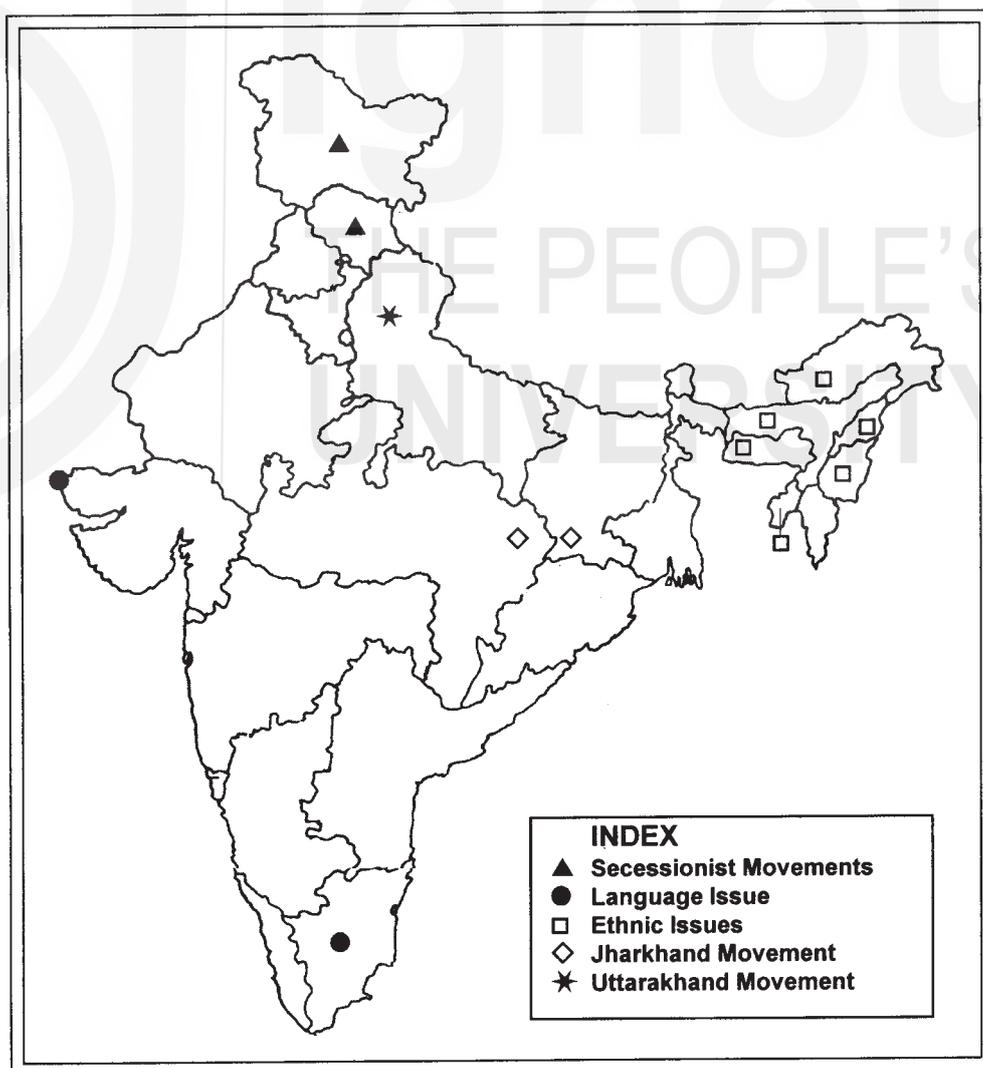


Fig. 14.1: Regional and state issues in India from 1960s to 1990s

After independence a major rift was caused over the issue of the official language for India. The Constitution envisaged the replacement of English by Hindi for official purposes of the Union as the language of communication between the centre and the states and between states. The state legislatures of Indian Union were given authority to adopt one or more languages including Hindi for use as the state language. The Constitution provides that the official language of the union should be Hindi with Devanagiri script, with international numerals for a period of 15 years from the commencement of the Constitution. However, parliament could by law extend the use of English as the link language. The attempt to introduce the provision regarding the official language has generated more intense language rivalry than unity.

The opposition to Hindi found its strongest political expression in the southern states. Most of the people in these states as well as those in the non-Hindi speaking areas of Eastern India objected to the imposition of Hindi. It was feared that their own languages would be ultimately replaced by Hindi, which they considered inferior. The adoption of Hindi as an official language and as a compulsory subject in schools was seen as imposition of a comparatively underdeveloped language upon those whose language contains a richness of thousands of years.

In the 1950's several movements to oppose the imposition of Hindi sprang up. In 1956, the Academy of Tamil Culture convened in Chennai the Union Language Convention which stated in a resolution that it would be greatly unjust to make any other language (meaning Hindi) take the place of English when a population of 100 million are totally unacquainted with that language. Significantly this Convention included representatives from different political organisations i.e., Rajagopalachari (Swatantra), Ramaswamy Naicker (D.K.), Rajan (Justice Party), Annadurai (DMK) and many others. At a National Conference held on 8th March 1958, Rajagopalachari declared that 'Hindi is as much foreign to non-Hindi speaking people as, English to protagonists of Hindi'.

Growing opposition to Hindi in south India led Nehru in 1959 to assure the people of South that (a) there will be no imposition of Hindi on them and that (b) English will be an associate regional language which can be used for official purpose so long as people require it. The decision would be left not to the Hindi speaking people but to the non-Hindi speaking people.

In late 1964 many things revived the southern fears of "Hindi Imperialism". With the death of Pt. Nehru the southern fear about imposition of Hindi had revived. The alarm grew at the expiry of 15 years when Hindi was to be used in place of English as the official language. The fears of Southern non-Hindi states could not be removed even by the Official Language Act, 1963 which made possible the continued use of English both at the centre and in the states.

On the Republic Day in 1965, in pursuance of Act 343 of Indian Constitution Hindi became the official language of India. The southern states reacted vehemently. The DMK party designated 26th January 1965 as a day of mourning. The student community started an agitation, against the imposition of Hindi. The DMK, which led this agitation, gained greater prestige. It became the ruling party in the state of Tamil Nadu when the elections took place after two years.

The DMK urged that all the fourteen languages be the official languages of the respective states with English as the link language between the states and the centre. The communists as well as Kamaraj favoured a three-language formula (viz. English, Hindi and the mother tongue). In June 1965 it was announced that proposal given by Kamaraj (the president of the Congress) has been accepted. The language policy resolution of the Government of India gave official recognition to Hindi, English as well as the regional language. The policy resolution also indicated that steps should be taken to develop Hindi. English continued to be recognised as an important link language.

The events described above show that the language became an important issue around which supra-state regionalism developed.

### Activity 2

Collect a week's issue of one of the local newspapers of your State or Union territory. Cut out those columns that have reported about supra-state regionalism. Make a file of them. Note down the following from these columns.

- i) The states involved in the issue or issues
- ii) What is or what are the issues involved?

Discuss if possible, the information you have gathered with other students at the Study Centre.

### 14.5.3 Inter-state Regionalism

It is related with state boundaries and involves overlapping of one or more state identities, which threaten their interests. River water disputes, in general, and other issues like the Maharashtra-Karnataka border dispute in particular can be cited as examples.

### 14.5.4 Intra-state Regional Politics or Sub-regionalism

This refers to regionalism, which exists within a state of the Indian Union. It embodies the desire of a part of a state for the identity and self-development. It may also reflect a notion of deprivation or exploitation of a part of the state at the expense of another. This type of regionalism can be found in many parts of India. The important examples of this kind of **sub-regionalism** are a Vidharbha in Maharashtra, a Saurashtra in Gujarat, a Telangana in Andhra Pradesh, an East U.P. in Uttar Pradesh and Chattisgarh in Madhya Pradesh.

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## 14.6 SIGNIFICANCE OF REGIONALISM FOR NATIONAL POLITICS

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Regionalism is not significant merely as a disintegrating force. Regionalism is not opposed to national integration. Both can exist together in a creative partnership. Both are in favour of development. Regionalism stresses the development of a region and national integration for the development of the nation as a whole. If we want to reconcile the competing claims of regionalism and national integration the political system of the country should remain federal and democratic.

Regionalism is not disruptive of national solidarity. The important condition for national solidarity is that nationalism should be able to hold the different types of regional sub-nationalities together. In other words, there should be healthy reconciliation between regionalism and nationalism.

Regionalism can make federalism a greater success. In this aspect the accentuation of regional identities should not-become problematic. It is quite natural that regional communities, who are conscious of their distinctive culture, should interact with federal government on the basis of more equal partnership. It will reduce the centralising tendencies in a nation and power will shift from the centre to the states.

Conceived in any form, regionalism and sub-regionalism are unavoidable in a country as vast and diverse as India. Their existence is not only an important condition for the expression of genuine national sentiment, but it is logically generated because of the establishment of the nation state. Nothing is, therefore, more basic to the concept of federalism than regionalism and sub-regionalism.

### Check Your Progress 3

- i) What are the many forms of regional politics in India? Spell them out in about four lines.

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- ii) Tick the correct answer of the following question.

What does supra-state regionalism consist of?

- a) Regionalism which is confined to a state
- b) Regionalism between one state and another
- c) Regionalism which goes beyond one or two states where interests of one group of states conflict with the interests of another group
- d) None of the above

- iii) Tick the correct answer of the following question.

What does sub-regionalism comprise?

- a) Desire of one part of a state for self-identity and self-development
- b) Emotional identification of people of a state
- c) Desire for the unity and development expressed by people of a group of slate
- d) None of the above

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## 14.7 LET US SUM UP

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In this unit we have discussed some important aspects of regional and state politics. We began by defining the concepts of region, regionalism and state specially in the context of Indian polity. We then moved on to discuss the development of regionalism in terms of the four major landmarks since independence. Here, we talked about competition between states for a share in the development benefits; continued expression of loyalties to old territorial units, meaning the Princely States; reorganisation of state on a linguistic basis and the struggle for power, authority and prestige by political parties and individuals. Next we examined the geographical, historical, social, economic and political-administrative bases of regionalism in India. We pointed out how language and economic deprivation plays a very important role in generating regionalism. While outlining the forms of regionalism, we mentioned four forms namely demand for state autonomy, inter-state, supra-state and intra-state regionalism. We discussed supra-state regionalism in great detail. Finally, we talked of the significance of regionalism for national politics.

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## 14.8 KEYWORDS

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<b>Disenchantment</b>	To be disillusioned or disappointed
<b>Intra-state Issue</b>	Any issue which involves one region with another within a state
<b>Inter-state Issue</b>	Any issue which involves one state with another
<b>Sectarian</b>	Pertaining to a certain section of society
<b>Secularism</b>	An ideology which accepted religions as equal or which Separates religion from polity.
<b>Sub-regionalism</b>	It relates to a distinct region in terms of socio-cultural, historical, etc. feature within a state.
<b>Supra-state</b>	Any issue which involves more than one state
<b>Topography</b>	The outlining features as surface configuration of a land area

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## 14.9 FURTHER READING

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## 14.10 SPECIMEN ANSWERS TO CHECK YOUR PROGRESS

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### Check Your Progress 1

- i) A region has been defined as an area, which is homogeneous. It is marked by certain physical and cultural characteristics which sets it apart from those of neighbouring areas.
- ii) a) T  
b) T  
c) F
- iii) The four common features found in many states are (a) population (b) fixed territory (c) government and (d) sovereignty.

### Check Your Progress 2

- i) The four major landmarks were
- competition between states for a share in national development and dissatisfaction over their allotted share in it.
  - continued nurturance of loyalties to old territorial units in spite of integration of Princely States.
  - reorganisation of states on a linguistic basis.
  - struggle for power, authority and prestige by parties and individuals.
- ii) The bases of regionalism are
- geographical boundaries
  - history - cultural heritage, folklore and symbolism
  - social factors like language, caste, religion
  - economic policies and economic disparities
  - politico-administrative factors
- iii) a) T  
b) F  
c) T

### Check Your Progress 3

- i) Regional politics has taken mainly four forms in India. These are, demand for state autonomy, supra-state regionalism, inter-state regionalism, and intra-state regionalism.
- ii) i) c  
ii) a

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