

SOME HERETICAL THOUGHTS ON ECONOMIC DEVELOPMENT

THE DEVELOPMENT OF THE RURAL PRODUCTIVE FORCES

The central economic question in our country today is the development of the rural productive forces. By 'productive forces' are meant the instruments and technology of production, and the skills and productivity of labour.

Why rural? Why not urban, or both urban and rural? Firstly, the development of the urban productive forces is helplessly dependent on foreign equipment, technology, inputs and expertise. With the limits to industrial import substitution being rapidly reached, it is also becoming increasingly contingent on the availability of foreign markets. Hence, in the context of a severe foreign exchange shortage, the urban economy, far from expanding, is being forced to contract. The only growth possible for the urban economy, in such a situation, is as a satellite of foreign capital. It is doubtful whether even this road is open to it, since foreign capital is now extremely sensitive to the mood of a country, and most fastidious in its selection of those on whom it will confer satellite status. Secondly, the general level of urban technology and expertise available within the country, though comparatively low by foreign standards and hopelessly inadequate for any independent and self-generating development of the urban productive

forces, is infinitely higher than the technological level of the rural areas of the country, and is capable of developing rapidly the rural productive forces, with the minimum recourse to foreign exchange. Thirdly, it is significant that, while import substitution possibilities in industry are almost reaching exhaustion, import substitution in the non-industrial sector yet remains a wide open field. Food and agricultural raw materials still account for almost half our annual import bill. Thus, it is only a decisive breakthrough in the rural sector that can crack open the foreign exchange problem which confronts us at every turn today.

It is therefore abundantly clear that both the opportunity and the means for the swift development of the productive forces exist in the rural, but not in the urban sector. Besides, the tempo of development of the rural economy is conditional on the massive diversion to it of resources, technology and skilled personnel, from the urban economy. This, if nothing else, rules out the possibility of the simultaneous development of both rural and urban productive forces. On the contrary, it indicates that the development of the rural economy necessarily implies, in our present circumstances, the contraction of some bloated areas of the urban economy. We have apparently taken a wrong turning which has led us to a blind-alley. Should we not even now retrace our steps, rather than stubbornly continue to knock our heads against an unyielding wall? This is a hard decision for urban policy makers to take. It may be softened by the awareness that the decline of the urban economy has already set in, and that there is very little anyone can do about it other than

prolonging the end by injecting successively heavier doses of foreign aid sedatives. The danger is that the crisis, when it comes, will find us totally unprepared, unless we resolutely turn back now and take the alternative road without delay. If there is still a doubt as to whether there is, in fact, another road, let us reflect awhile on the experience of North Vietnam, which fell back on the tremendous reserves of strength available in the countryside to fight a protracted war when American bombs threatened to disrupt its city life.

The deployment, on an immense scale, of resources, technology, skills and expertise from the urban to the rural sector, is a necessary but not a sufficient condition for the development of the rural productive forces. Equally necessary is a transformation of the economic relations within the framework of which these productive forces operate. The basic cause of rural economic backwardness is that these economic relations have become a fetter impeding the growth of the rural productive forces. They must accordingly be changed into relations which are conducive to and foster growth.

What are these economic relations which obstruct the growth of the rural productive forces, and which must therefore be changed? They are :

- (1) The relations between the rural economy and the urban economy, and
- (2) The relations within the rural economy itself.

RURAL - URBAN ECONOMIC RELATIONS

The present rural-urban economic relations are based on the exploitation of the countryside by the town. By 'exploitation' is meant the appropriation of the rural economic surplus by the urban economy. This exploitation takes many forms. The most vicious method by which the town plunders the village is through trade. The unconscionably high profits appropriated by the urban traders in rural produce are well known but the extent of exploitation that takes place through the terms of trade (i.e. the price relationship) between rural and urban commodities is not so fully appreciated. To cite a few striking instances: A bushel of paddy gives the farmer an income of Rs.18/-, while a cotton shirt is also priced at about the same level. A pint of milk earns the dairyman 40 cents, while a bottle of aerated water costs him 50 cents, and a throw-away ball point pen is the equivalent of Rs.1/25. The rural surplus is also pilfered by the cities through the provision of finance at exorbitant rates of interest. Often, the financier is also a trader, and the loan and interest are recovered through excessive trading profits. The urban transport contractor too takes his share of the spoils, and absentee landlordism is still another method of siphoning the rural surplus to the towns.

It is interesting to observe that the exploitation of the rural economy by the urban, takes practically the same forms as the exploitation of the urban economy, in turn, by the imperialist economies of the developed countries. In both cases, the economic surplus is appropri-

ated through the terms of trade, transport, finance and property ownership. The rural-urban relationship is a mirror image of the urban-foreign relationship, even faithfully copying a phenomenon such as the brain drain. Further, by being a satellite of the urban economy, which is itself exploited by foreign economies, the rural economy, in spite of its apparent isolation, is drawn into the mainstream of world capitalist domination and exploitation. Our rural economy, therefore, is a doubly exploited one.

The State, it is true, has attempted to redress the balance somewhat, through institutional and other devices. It has promoted the growth of consumer and, to a lesser extent, service co-operatives. It has sponsored co-operative and rural banking. It has carried out measures of land reform. It has instituted State marketing schemes, and has guaranteed the prices of certain agricultural commodities. It has established a network of extension and advisory services. It has subsidized fertiliser inputs for some crops. It is also attempting to channel funds to the rural areas through District Development Councils and decentralised budgeting. The measures appear quite impressive, but the results are not. This is because these efforts have not even touched the heart of the rural-urban conflict nor transformed the economic relations within the rural economy, which are the twin fetters imprisoning the rural productive forces. These measures, taken by themselves, are as reformist and ineffective as the attempts to solve the basic capital-labour contradiction through labour laws, profit sharing, diffusion of shares and Workers' Councils, or the basic imperial-colonial contradiction through economic co-operation,

commodity agreements, financial aid and international currency manipulations.

The essence of the rural-urban contradiction is the domination of the rural economy by the urban economy. In Nature as well as in Society, two mutually contradictory entities (or aspects) coexist as a unity, because they are also mutually interdependent, but they never coexist as equal partners. One is dominant, the other subordinate. The character of any phenomenon is essentially determined by the dominant aspect of the contradiction within it. Whatever the changes that may take place in the mutual relations between the two aspects, so long as the dominant aspect retains its position of dominance, the character of the phenomenon remains basically unchanged. The phenomenon changes into something essentially and qualitatively different, as opposed to mere quantitative changes, only when the dominant aspect becomes subordinate and the subordinate aspect becomes dominant. Hence, if the rural-urban relationship, which is one of both mutual interdependence and conflict is to be **qualitatively changed**, the rural economy must become dominant and the urban economy subordinate. In our present situation, this is the only way of releasing our rural productive forces from the chains that restrain them. Anything short of this is only a palliative, and will not result in a fundamental transformation of the rural economy.

In countries where the urban economy has an independent momentum of its own and can carry the rural economy along with it, though as a subordinate subject to its exploitation, such a fundamental transformation of the urban-

rural relationship may not be necessary. But in countries such as ours, where the urban economy is not self-generative, and is incapable of further growth without large doses of foreign technology, equipment, inputs and skills, for which it does not have the means to pay, it is fast becoming inert and totally parasitic. It must therefore be made subordinate, if the country is to survive and not be dragged down with it.

What does subordinating the urban economy to the rural mean, in practice? It means a complete reversal of Government priorities, policies, attitudes and thinking, in respect of investment, research and technological innovation, deployment of skilled personnel, internal marketing and the terms of trade, housing, transport, education, health, administration and cultural activities. It means that the Government must organise a tremendous shift of resources to the rural economy at the expense of the urban economy. The only resources that should be allocated to the urban economy are those that would serve the development of the rural productive forces. The urban economy must be reduced to the status of a satellite, the direction and pace of growth of which is solely determined by the development needs of the rural economy.

In the field of investment, the Government should give a very high priority to rural electrification, which is the power base for the development of the rural productive forces. The essence of rural electrification is the supply of cheap power to the rural economy; and, our methods of generation, transmission, distribution and protection will have to be changed so as to make them as inexpensive as possible. The

ancillary electrical equipment industries for the production of transformers, motors, meters, insulators, circuit breakers, etc., must be established and located, wherever possible, either wholly or in part in the rural areas. Along with rural electrification, the other investment priorities are agriculture, the manufacture of agricultural implements and agro-based rural industry. The provision of irrigation, and drainage facilities to existing cultivable land by the restoration of village tanks and the draining of swamps and marshes, must take precedence over the opening up of new land under costly irrigation schemes which have a long gestation period. Investment should also be directed to the manufacture of basic agricultural implements and unsophisticated equipment for agro-based rural industries such as food preservation and processing, sugar and paper manufacture, power loom textile weaving, timber impregnation and wood-working, distillation of essential oils and utilization of waste materials like coconut shells, coir dust, saw dust and organic refuse. The next in order of investment priorities are the regeneration of the rural fishing, boat building and ceramic industries, and the provision of stud bulls and insemination facilities for the upgrading of the local cattle.

It would be observed that in this scheme of investment priorities there is hardly any place for capital intensive industries based on imported equipment and materials, for export oriented industries also dependent on foreign machinery and subject to the mercy of capricious foreign markets, or for the assembly industries which import the major part of their finished product. In fact, this assembly type of industry is already on the way out, due to drastic reductions

in exchange quotas. It is only a matter of time before every industry which is mainly dependent on foreign inputs begins to reel before the full blast of the gathering foreign exchange storm. It is therefore imperative that the Government immediately switches its investment priorities and concentrates all its resources on developing the rural productive forces. This is the only way of cushioning the impact of the mass retrenchment of urban workers, and the other consequential effects of the disintegration of the urban economy which is imminent.

In keeping with this overall strategy, the Government must change the priorities, content, methods and attitudes in respect of research and technological innovations. All the available skills and knowledge in these fields must be harnessed and purposefully directed towards the objective of initiating a technological revolution in the countryside. Research scientists, engineers, technicians and other skilled workers must be made to leave their laboratories, office desks, conference tables and relatively comfortable urban life, and to live and work among the rural people, educating them and at the same time learning from them. Agricultural experimentation must be done in the cultivator's field and technical improvisation in the village smithy, with the full and intelligent participation of the rural people. The village must be shaken out of its torpor, and turned into a hive of lively discussion, creative thinking, technical innovation and productive activity, by a well-planned and organised invasion of skilled and knowledgeable town folk who are anxious to teach and learn in a spirit of humility, seeking, as it were, atonement for their primordial sin of

parasitic existence, and intellectually rejuvenated by their deliverance from the soul-sapping, de-humanizing, urban rat-race.

In the sphere of internal marketing, the exploitation of the rural economy by the urban middlemen must be completely eliminated by the establishment of a widespread network of co-operative marketing and credit institutions, reaching out into every nook and corner of the country. Here too, the magnitude of the task and its urgency is such that it cannot be left in the hands of a few Co-operative Inspectors, as has been done hitherto. The best organisational managerial and accounting skills available in the urban economy, both in the public and private sectors, must be withdrawn and utilized by the Government for this purpose. We again come back to the basic theme: that subordinating the urban to the rural economy means that the cream of urban talent, which incidentally is grossly under-utilized today, must be thrown into a frontal attack on rural economic backwardness. A prime responsibility of the Planning Authority is to plan, organise and direct this entire campaign.

The domination of the town by the village, however, means more than this. It means that the rural producer must have preference over the urban consumer, and the rural consumer preference over the urban producer. Hence the terms of trade (i.e. the price relationship) between rural and urban commodities must be significantly changed in favour of the former. The consequence of this will be a lowering of the standards of living of every section of the urban community. This must be accepted as the necessary concomitant to the raising of rural standards

of living. The notion of simultaneously raising both rural and urban living standards is, in our present context, only a convenient myth which helps to salve a troubled urban conscience.

The utilization of resources for urban housing and transport must be stopped. The urban economy, by itself, is incapable of solving either its housing problem or its transport problem. The ultimate solution to these urban problems lies in the rapid growth of the rural economy, leading to a complete reversal of the direction of migration. Any expenditure on urban housing and transport, at this juncture, is a misdirection of resources. The cities will have to live with their slums and shanties until the man-power requirements of a buoyant rural economy relieve the pressure on urban housing. For many years to come, they will also have to suffer their belching buses, decrepit cars and pot-holed roads. The linking up of the rural economy through roads and canals must take precedence over the widening, macadamizing and carpeting of the urban highways. The movement of rural produce must have priority over the movement of urban people. Existing priorities in education and health services too must be inverted. Rural schools and hospitals must be properly staffed and equipped, and this again has obviously to be at the expense of the urban facilities. Teachers and doctors must be included in the organised movement of skilled personnel to the rural areas.

A development strategy based on the rural economy being the dominant partner necessarily implies a far-reaching decentralization of administration and decision making. The parasitic bureaucratic apparatus, which annually

swallows up half the Government revenue and still finds its appetite unsatiated, must be dismantled. The hordes of file carriers, pen-pushers, report writers, precedence addicts, and conference flitters, who are today a terrible burden on the country's economy, must be shifted to more productive pursuits. Urging them to work a full eight-hour day is beside the point; for, even if they were to 'work' sixteen hours a day, they would still be incapable of producing anything useful, while the cost of keeping them at their desks, in terms of the paper, filing cabinets, typewriters and electric power consumed, would increase considerably. It is ironical, but probably true, that the less the bureaucracy 'works' the less of a weight it is on the national economy.

All this must be done and still more, if we are intent on transforming the present rural-urban relationship. In the endeavour to make the village pulse with a new life, its cultural revival should not be overlooked. The traditional song and dance forms must be developed, and enriched with the new content of change and progress. A genuine national culture can never flourish in the arid wasteland of our urban cosmopolitanism. The lumpen language and culture of the cities must be dethroned from their position of eminence, as part of the process of urban subordination. Every vestige of urban privilege in every sphere of life and thought, must be relentless unearthed, and uprooted without compunction. This is the essential meaning of subordinating the urban economy to the rural.

What, then, is the future of our cities? Are they doomed to perpetual decline and eventual

extinction? No. The urban-rural relationship is not only a mutually contradictory one but also one of mutual interdependence. The present relationship based on urban dominance and exploitation is strangling the rural productive forces which if set free, have the potential for rapid and independent growth. Hence a qualitative, revolutionary change in this relationship is necessary. This can be achieved only by a total reversal of the dominant and subordinate roles. Once this conflict is resolved in this manner, and the dominance of the rural economy firmly established, mutual interdependence becomes the primary feature of the rural urban relationship. As the rural economy takes off, it will lift the urban economy up with it, as a junior partner. Cities will once again grow, not as parasites living on the countryside and exploited in turn by foreign economies, but as useful satellites of the rural economy. This, however, will not be the end of the story. With the further development of the rural productive forces, economies of scale will become both necessary and possible. This will again require the concentration of industry, services and decision making in urban centres. The decentralisation inherent in the development of the rural economy may then come into conflict with the increasing need for centralization. Decentralism and centralism are not absolutes, the very decentralization which today is necessary to liberate the incarcerated rural productive forces, may eventually become a drag on the growth of the urban productive forces. 'Urban Centralization' could well be the heretical cry of a future economist. The movement of the urban-rural relationship may once again demand a reversal of the dominant and subordinate roles in that relationship. Their conflict will not end until the antithesis between town and country

finally disappears as a result of their becoming indistinguishable from one another. But all this will be many many years in the future, and we are in danger of leaving the domain of the economic analyst and getting uncomfortably close to that of the soothsayer; for who knows, the future generations of our country may, in all their wisdom, turn their backs on the western heritage of unbridled urban industrialism, and deliberately spurn its material benefits in order to avoid its attendant evils. In that event, the urban-rural **dialectic** may unfold itself in our country in an historically unparalleled manner.

RELATIONS WITHIN THE RURAL ECONOMY

Rural economic relations in our country are primarily those pertaining to simple commodity production. By 'simple commodity production' is meant the technologically backward mode of production based on petty ownership and management, and where the owner and his family, sometimes assisted by a few hired hands, directly engage in labour. In our rural relationships, there are also certain feudal relics; but these are largely in the sphere of social relations and are hangovers from a past era of feudal economic relations. In some areas of the rural economy there exist types of economic relations which are a caricature of the capitalist relations of the west. However, in spite of the presence of these external trappings of a senile feudalism and a castrated capitalism, our rural economy is essentially a simple commodity production economy.

Simple commodity production, with its petty ownership and atomized management, is the fertile breeding ground of the backwardness, low productivity, inefficiency, ignorance, apathy, lethargy, resistance to new ideas, excessive familism and isolation from the community, which characterize our rural society. It constrains the growth of the rural productive forces. It is the economic basis of chronic underdevelopment. It must be done a way with. Almost every country has had to face this problem at some stage or other of its history. Some have successfully solved it; others are grappling with it; still others, like us, are not even fully conscious of it.

History records two ways in which simple commodity production has been eliminated. The historically prior method was one of forcibly dispossessing the small producers, and concentrating ownership in fewer and fewer hands. With the disintegration of feudalism in Europe, simple commodity production came into being, on the basis of small property ownership by some of the erstwhile feudal retainers, serfs and tenant farmers. The historically progressive role of early European capitalism was to destroy this technologically backward and inefficient mode of production by means of the concentration of property ownership in capitalist hands; but it did this in a most harsh and brutal manner. The terrible misery caused by the infamous "enclosure movement", whereby peasant owners were mercilessly evicted from their lands by capitalist farmers and replaced with sheep, is described in vivid detail in the literature of that period. Capitalism played its part efficiently and ruthlessly.

The historical process, like human beings, apparently mellows as it matures. The subsequent solution thrown up by history to the problem of simple commodity production was immeasurably more benign than the terrorism of youthful capitalism on the rampage. Socialist theory and practice was the instrument, and collective ownership the method, that historical evolution chose for its second assault on the suffocating narrowness of petty ownership. The essence of both the capitalist and the socialist solution is the destruction of simple commodity production by the centralization of ownership, management and decision making. Capitalism did it by crushing the small owners, evicting them from their lands, expropriating their property and concentrating it in a few hands. Socialism does it by centralizing management, decision making and ownership in the small owners themselves, not as isolated and atomized individuals but as members of a collective entity.

Both capitalism and socialism have successfully performed their historical mission in this respect, as evidenced by the development of the rural productive forces under both modes of production. The 'mistakes' made, and the agony caused, in the process of the capitalist destruction of petty ownership, are buried in history. The socialist solution of collectivism is nearer to us in time, and we therefore tend to look at it more critically. Many 'errors' have probably been committed in its initial application, but only because of its novelty, and the exuberance, impatience and intolerance that is characteristic of every period of revolutionary social change. On the other hand, it is also

probably true that the socialist solution in practice, has been less thorough than the capitalist one, but only because it has also been infinitely more humane. In the enlightened age in which we live, the method of capitalist expropriation of small owners is intolerable and indefensible. Hence, unless we desire to perpetuate the medieval anachronism of petty ownership and be stifled by its mediocrity, there is no alternative to collectivism.

The question of transforming the economic relations within rural economy cannot be treated in isolation from that of changing the present rural-urban relations. Rural collectivism, in the midst of a parasitic urban exploitation of the countryside, is doomed to failure, as even our limited experience with rural producers' co-operatives has clearly demonstrated. Rural collectivism will take root and sprout, only in the context of a flood of resources, technical skills and management expertise diverted from the towns, and uninterruptedly flowing into the villages. It will flower and bloom, only when the rural economy is freed from the rapacious grip of the urban middleman, transporter and money-lender, and the rural-urban terms of trade reversed in its favour. It will yield fruit and seed, only when the village is electrified, both literally and metaphorically, in every sense of the word; for, collectivism is a philosophy and a way of life for the living, not for the dead.

FORMS OF ORGANIZATION OF
THE RURAL ECONOMY

The consolidation of scattered, petty, individual property into centralised, collective property could be achieved through the organizational form of the producer co-operative. Initially management and decision making could be centralised and ownership subsequently. The inter-national experience in this field is rich enough to provide many variants to suit different national conditions and varying levels of social consciousness. There is, however, one important consideration which should not be overlooked in evaluating the experience of other countries. In most of them, the background in which producer co-operatives were formed and continued to function, was one of urban exploitation of the rural economy, particularly through the terms of trade between rural and urban commodities. In the case of our country, for the reasons mentioned earlier, the background has to be one of rural dominance. It is interesting to speculate on the possibility that the problems encountered by many countries, in the course of collectivizing their rural economy, may have originated more from the fact of urban domination and adverse terms of trade, than from any 'innate' resistance of the individual to being part of a collective economic entity.

The task of revitalizing the rural economy however, cannot be achieved only through the co-operative form of organization. This is essentially a form of partial organization, confined only to a section or group of people with common

producer interests. The magnitude of the job requires a form of total economic organization encompassing the entire village community. The successful redirection of material resources and human skills in the form of engineers, research scientists, doctors, technicians, skilled workers, managers, accountants, economists and sociologists, from the urban to the rural economy on the vast scale envisaged here, presupposes a dynamic village community organization which is capable of absorbing and utilizing fully the entire inflow from the urban economy.

It is not surprising that our planners and policy makers have given very little thought to the question of organizing the rural economy. This neglect is only another manifestation of urban domination, and its reflection in our thinking. Some years ago we realised that the Government Department was not the best organizational form for big industrial and commercial ventures undertaken by the State, and we responded quickly by creating a new form, the Public Corporation. But, in respect of the rural economy, this awareness of the inadequacy of the Government Department and the search for an alternative to it, are not so evident. Our minds still remain closed to the futility of a handful of Government officials in the Extension and Advisory services attempting to carry the message of an improved technology to a multitude of scattered, individual, petty owners, chained to an essentially medieval mode of production, life and thought. Whenever we were baffled by the problems of fertilizer distribution and the marketing of rural produce, we

have made a few noises about the need for co-operatives, but, in the same breath having doubted their capacity, have shrugged off the problem. We have occasionally been agitated about rural credit and have established a few rural banks, which have thereafter been frustrated by the fact that the petty owner is a hopeless credit risk, according to the canons of commercial banking. We have been defeated at every turn by problems that are essentially simple, but made difficult by an atomized and fragmented rural economy. Our urban blinkers have blinded us to the fact that the solution to these inter-related problems lies in a form of total, and not partial, organization of the rural economy. Even on the rare occasions in which some light has filtered through, as in the case of the establishment of District Development Councils, the image has been distorted by our urban mental focus. We are today paying the terrible price of our limited **vision**. But even the shock of a possible food shortage has not succeeded in dislodging our blinkers. Our reaction to the food problem is to urge the farmer to produce more, and even to deplore his sloth and indolence. We still cannot see that the food crisis, no less than the foreign exchange crisis, employment crisis and every other crisis threatening us today, is the result of our stupid urbanism, and that there is very little that the poor **farmer** crippled by an antiquated mode of production and maimed by the vicious urban exploitation, can do about it.

Even now, it is not too late for the Planning Authority to **reverse** its priorities. The total organization of the rural economy is its highest priority, before which everything else

must give way. However, before it can even attempt to do this, it must first understand the essential nature of the community organization that should be set up, by appreciating fully the wide spectrum of functions which that institution should perform. The Community Organization must plan, organize and direct the entire village economy. It is the basic planning and implementation unit with which the Planning Authority must maintain continuous liaison, and through which every Ministry and agency of Government must operate. It must be the centre to which all resources are channelled by the Government. It must plan for, and achieve, the optimum utilization of every bit of cultivable land. It must provide irrigation and drainage, draught animals and planting material, agricultural implements, organic and inorganic fertilizer, and other requisites such as barbed wire and fence posts. It must activate experimentation and disseminate information on new techniques and cultural practices, and ensure that scientific cropping systems are adopted, pests and weeds are brought under control, and soil moisture is conserved. It must organize co-operatives of producers and consumers, assist in their proper management, and make available crop insurance, credit, marketing, storage and transport facilities. It must provide outboard motors, mechanized fishing gear, poultry and livestock feed, pastures and insemination centres. It must mechanize rural industry, and provide it with power and raw materials. It must direct the efforts of the urban research scientists and engineers working with it, towards the solution of urgent practical problems, and utilize their services to train village craftsmen and technicians and to raise the technological level of the entire village through public discussion and debate. It must build roads and houses, schools and nurseries, dispensaries and hospitals,

shops and community centres, and provide recreational and entertainment facilities. In short, the Community Organisation must be the driving force in a mass movement to develop the productive forces, increase the technological consciousness, widen the intellectual horizon, and unleash the suppressed creative energy of the entire rural community.

The main forms of public organisation that have so far been established in our country, are the Government Department, the District Kachcheri, the State Corporation and, more recently the District Development Council. None of these forms are suited to handle the multifarious tasks associated with organising the totality of the village economy. Even the District Development Council is a form of partial organisation. It is the rural imitation of the urban, project-oriented State Corporation, and is designed for the planning and setting up of specific projects, mainly with an eye to providing work for the unemployed. The basic fallacy of this project-oriented approach lies in its implicit assumption that the problem of unemployment can be solved by leaving the slumbering village economy undisturbed, and by establishing a few Youth Co-operatives and rural industries, virtually outside this economy, to accommodate the unemployed. The problem of unemployment, in our country, is only the other face of the problem of rural economic backwardness, and the solution to it lies within and not outside the rural economy. It can only be solved by a thorough shake-up and animation of the whole of the rural economy, which the District Development Council, by virtue

both of its structure and composition, is incapable of doing. Besides, all the public organisational forms that we have are so helplessly bureaucratic that, far from being capable of breathing life into an immobile rural economy, they are finding it difficult even to keep alive themselves, without being throttled by their red tape and atrophied by their inertia.

There are two important considerations that should guide us in fashioning the village Community Organisation. Firstly, it should be a thoroughly democratic organisation and not a bureaucratic one imposed from above, for, the essence of the matter is that the mass of the people must responsibly and consciously participate in development. To achieve this, they must be fully involved in the planning and decision making process. This is the only way in which people especially the intelligent and more educated people can be made to endure, willingly and without evasion, the drudgery of routine manual work. Their particular effort, however irksome it may be, must be seen by them as an integral part of a grand design which they themselves have sketched, and the vision of which continuously motivates and inspires them even in their most tedious work. Secondly, the core of the organisation should be the poorer sections of the community and the youth, particularly the educated youth. The educated and unemployed youth, who are today regarded as probably our biggest problem may in the end turn out to be our salvation. The present approach of finding them slots in the bureaucratic machine is most unimaginative. They are invariably looked down upon as misfits in these soulless, dehydrated jobs, and eventually

their greatest asset, the entrepreneurial vitality inherent in youth, will be sapped, and they will be stifled, smothered, and beaten into conformity. The youth are eager to change, if not the face of the world, at least the face of the country. Is it too much to ask, then, that they take on the responsibility of changing the face of their village, to start with?

Subject to these two constraints, the Planning Authority must work out the organisational structure best suited for the performance of the totality of functions associated with the integrated and all-round development of the village economy. There is much we can learn from the commune type of organisation in other countries, but that is no substitute for fashioning, ourselves, a Community Organisation which is in harmony with the traditions of our people and the level of their social consciousness. Let our planners, however, not make the bureaucratic mistake of spinning an ideal organisational form out of their heads, and imposing it from above. This is an area in which it would be fatal to concoct ready-made, cut and dried recipes which may churn out a flaccid, dilute, insipid organisation. There is no substitute for experimentation on a country-wide scale. A living and virile form of organisation must be hammered out and tempered in the course of action. The entirety of the resources at the command of State Assembly Members, Ministries and the other organs of the Government, must be thrown without reservation into this gigantic operation which should be carried out under the direction of the Planning Authority. This nerve-centre must mobilise and channel to the rural areas all our skills and talent in the field of organisation, to guide, assist and

advise the youth, but not to displace them. It must at the same time, continue to pour in the men and materials needed to develop the rural productive forces. Above all, it must rely on the initiative and leadership of youth, and allow them the widest latitude for independent decision making and the maximum scope for creativity; for this is a field in which a hundred flowers and more should bloom before we can take our pick.

CONCLUSION

Orthodox economic theory is an imposing edifice, so tall that at the summit one has the uneasy feeling of head and feet being both in the clouds. This impressive super-structure has been built on a specific production base, and within a particular institutional framework. It is not at all interested in exploring why and how its base and framework came into being, and whither they are going. It is quite content to take them for granted, and to examine the external market manifestations of the working of its economy, and to recommend solutions to the numerous problems created by the interaction of market forces. The problems generally are those arising from too much consumption or too much saving, from inflation or deflation, from overvaluation or undervaluation of currencies. The stock solutions are increased taxation, investment incentives or tax reliefs, surplus or deficit budgeting, income and wage freezes or subsidies and public works, credit restriction or expansion, raising or lowering of interest rates, devaluation or revaluation of the currency. Insensitive to the limitations imposed on it

by its particular production base and institutional framework, orthodox economics parades these problems and solutions as universal truths applicable to all economies. It naively expects the stimuli of market forces to evoke capitalist responses from medieval reflexes.

Of late, orthodox economics has begun to concern itself with what it regards as the theory of growth. Simultaneously, a genetic mutation appears to have taken place with the economist evolving into the econometrician. The more humdrum breed of orthodox economists are facing extinction, and it is a pity, because, in spite of their limitations, there was something likeable about their simple, pragmatic approach. The sophisticated new species of econometricians has taken possession of the tower of the edifice, and is propagating itself with all the vigour of youth. The building of growth-models is their popular pastime, and mathematics their favourite tool. At first, one is unwittingly infatuated by the elegant form and structural beauty of these models, but soon begins to tire of their emptiness and sterility. The difference between these two species, however, is more one of technique and form than of substance. The econometricians, like the economists before them, primarily deal with the interaction of market forces, and their effect on the stability of a growing economy. It is not the generation of growth, but its instability in a capitalist economy that is their main concern.

Our economic problem, however, is not the stability of growth, but the lack of self-generat-

ing growth itself. It is the problem of leaping out of the morass of endemic stagnation. It is the problem of changing an archaic mode of production, and releasing our productive forces from the shackles that bind them. These are not problems arising from the interaction of market forces, but problems arising out of the very essence of the mode of production itself, out of the interaction and conflict of the production forces and the economic relations within which these forces operate. One can read orthodox economic literature forwards and backwards, and still not come across even the slightest reference to these problems, leave alone the solutions to them; for its concern is with market relations and not with production relations. Faced with the reality of underdevelopment, and confounded by the impotence of their market economics to understand it, orthodox economists can only chant: produce more, work harder, consume less, tighten your belts, save more, invest more, live within your means, balance your budget, devalue your currency, break the vicious circle of low income and insufficient investment, get to the take-off point and then soar into self-sustained growth, and a host of such sterile exhortations and banal platitudes.

The bankruptcy of orthodox economic theory and its inability to understand and state, leave alone solve our economic problems, will become increasingly apparent as our crisis deepens. The alternative approach sketched out here is presented in the belief that when orthodoxy fails, heresy must come into its own.
