INDIAN ECONOMIC PERSPECTIVES

Leon J. Wisniewski*

For the first time since her independence in 1947, India has begun to show definite signs of awakening into the full light of the twentieth century industrial age. The story of India's struggle to modernize the social and economic fabric of its life is a composite of all the hopes and frustrations, the achievements and failures that beset the worlds' developing countries, for India encompasses and magnifies all the problems and potentialities of these nations. Her task has been an arduous and demanding one in the past, and it will continue to be so in the future; yet, at last India is beginning to realize the benefits in her struggle with economic retardation. Whether or not India can overcome her massive difficulties is a question that only time will answer. but for the present, one can review the results of the past, observe the trends of today, and drawing upon these, view the prospects for the future — the future in which India, win or lose, will play a vital role.

The problems which beset India are massive, at times seemingly insurmountable; yet progress, sure and steady, is definitely being made. However, it is essential when speaking of progress in India to differentiate between the gains made by the nation as a whole and those made on a per capita basis. And this is the single most crucial aspect of India's difficulties; while her success has been, taken as a whole, most impressive, the living standards of her people have generally remained among the lowest in the world.[1]

India faces a host of critical problem in her attempt at socio-economic rehabilitation. She must increase and diversify her industrial production, provide for her national security, maintain an adequate food supply for her populace and provide them with expanded and improved social services, reduce the rate of population increase drastically, and undertake all those related tasks necessary for the solution of these problems. And all these things must be done within a democratic parliamentary system; it is, according to one writer, "the largest experiment in social engineering ever made." [2]

The problem of agricultural production has long been a vital one in India, where for years primitive methods and peasant ignorance of technical farming combined with a burgeoning population to create a situation in which India was almost continually on the brink of famine. Costly imports of foodgrains from other nations was a constant annual drain on the financial reserves of the country, sapping the monies from other much-needed projects. At present, Indian agriculture is highly labor-intensive; the bulk of tillable land lies in the alluvium-filled troughs at the base of mountains drained by the Indus, Ganges, and Brahmaputra Rivers and in the river deltas and coastal plains of the east.[3] Best by far is the Ganges plain and the delta where the

* Student, Towson State College.

[1] Jan Broek, *A Geography of Mankind* (New York, 1968), p. 246.

[2] *Larousse Encyclopedia of World Geography*, (New York, 1965), p. 398.

[3] Broek, p. 246.

Ganges and Brahmaputra join; this area, shared by Bihar and Bengal, receives about 60 inches annual precipitation, and they also house the densest population in the nation.[4] The upper Punjab and upper Ganges plain receives about 40 inches of rainfall, but this is considerably reduced by a high rate of evaporation; the remainder of the peninsula receives below 40 inches of precipitation, and these areas, including some of the most fertile soil in the country, must rely upon irrigation to meet their needs.[5] India is totally dependent upon the annual monsoon rains for moisture; this was dramatically demonstrated by the fact that in 1965 and 1966, when the monsoons failed, there was severe drought and crop failure throughout the land. To stave off the possibility of a recurrence of this type of situation, the Indian government is making a concerted attempt to introduce irrigation to rural areas, primarily through the use of tube wells with electric pumps to reach the abundant supply of groundwater, and also to construct dams and reservoirs to preserve the monsoon rains for utilization during the dry season.[6]

In the past, despite intensive labor inputs, crop yields per acre have been low. The year 1967, however, marked a dramatic and radical break from the traditional poor yields; India began in that year to experience what has commonly been denoted a "green revolution," and revolutionary is what it has been. The agricultural revolution in India rests upon the utilization, in certain selected areas, of high-yield strains of grain, primarily wheat, and upon significant inputs of fertilizer and irrigation equipment in those areas.

Even though the extravagant claims made a few years ago have sobered to a more realistic appraisal, there can be no denial that great achievements in agricultural productivity have been realized. The 1969-1970 harvest of foodgrains was a record 100 million tons, 11 million tons above the 1964-1965 mark, the best harvest year prior to the green revolution.[7] The annual rate of increase, while not the initially planned 5%, is approximately 2.5%.[8] The area most effected by the new agricultural advances is the Punjab, India's traditional "wheat basket," where 80% of the land was sown with high-yield seeds, the number of tubewells increased from 7,000 to 120,000, and the use of fertilizer tripled in the past four years.[9] The result: the 1970 wheat yield was double the traditional harvest. While great credit is due the farmers of the Punjab for their efforts, they were also aided by other sources. The Rockefeller Foundation, which developed the varieties of wheat upon which the revolution rests; the Ford foundation, which encouraged the "package of practices" idea through which overall farming methods were improved; the Punjab Agricultural University which became the center of dissemination for the new varieties of seeds; and the numerous central and state government agencies which aided in providing the necessary inputs essential to increased

[4] *Ibid.*

[5] *Ibid.*

[6] *Ibid.*, p. 248.

[7] Wolf Ladjinsky, "Ironies of India's Green Revolution," *Foreign Affairs*, Vol. 48, #4 (July, 1970), p. 759.

[8] *Ibid.*

[9] *Ibid.*, p. 760.

productivity all cooperated in making the endeavor a success. By far, the green revolution has effected the growing of wheat more than any other foodgrain. Rice, the other vital grain in the Indian diet, has shown little of the remarkable strides demonstrated in the growing of wheat. Rice accounts for 31% of the total acreage for foodgrains compared to 15% for wheat;[10] had the yearly harvest of rice been commensurable with that of wheat, India would now be self-sufficient in foodgrains. The disparity between the production of the two grains is due primarily to the fact that new varieties of rice, for the most part, leave much to be desired; they are more prone to pests and disease than the newly developed wheat strains, and they demand more favorable environmental conditions as well. Additionally, although some progress has been made in Kerala Tamil Nadu, and in parts of West Bengal and Andhra Pradesh, there are many rice-growing areas that are hampered by lack of irrigation and drainage systems, and especially in the eastern rice belt, many of the farms are so small and their owners so poor that necessary improvements simply cannot be made. However, much research on improved rice strains and continuing studies on soil and water conditions in drier areas give promise that the future will see greatly increased yields in rice, as well as wheat.

One cannot expect an agriculturally backward nation such as India to overnight become a modernized, technologically advanced nation; this process requires an extended period of time. Nevertheless, India has begun. Aside from increased yields in foodgrains, the "green revolution" has also stimulated in the farmers of the area a new desire to adopt modern agricultural methods and a new willingness to take calculated risks and attempt innovations. In the final analysis, this social revolution in thought among farmers who traditionally had been opposed to all attempts at modernization may prove to be the most vital and lasting contribution of the green revolution. There are also signs that agriculture is becoming a more profitable endeavor; there has been a greater monetization of the farm economy and an increased demand among farmers for industrial consumer goods.[11] There is also evidence of a "new breed" of farmer in India; retired lawyers, doctors, soldiers, and other professionals are buying agricultural lands in order to earn profits and still escape taxes. (Many avoid restrictions against large individual holdings in one state by purchasing lands in several different states.)

When speaking of the results of India's "green revolution," it must not be overlooked that it is a selective revolution; its small areas have been enormously successful, but the vast majority of India's sixty million farm families [12] do not as yet have a share in that success. Over ¾ of the cultivated land in India is not irrigated, and dry farming predominates. Out of a rural population of 434 million (in 1969), 103 million own no land whatsoever, and 185 million own less than five acres per family.[13] Of these people, who comprise 65% of the rural population, about 150-200 million live in abject

[10] *Ibid.*
[11] *Ibid.*, p. 762.
[12] *Ibid.*
[13] *Ibid.*, p. 763.

poverty at a level of about $21 per capita per year.[14] Of this group, the situation of the landless tenants is most severe; in areas modernized by the green revolution, land has become valuable and profitable, and owners would like to see tenants replaced by hired laborers with no claims at all on the land. Rents for tenants in these areas have risen from 50% to 70% of the value of the crop,[15] and many tenants have been reduced to sharecroppers. Security of tenure and other rights have also been weakened in spite of laws against this. And the agricultural revolution, incorporating as it does more modern farming methods and machines, will inevitably increase the number of landless workers. Although the revolution is presently still labor intensive, an increasing use of tractors, threshers, etc., combined with the natural desire for economy in operation, must eventually lead to an increase in rural unemployment. The Fourth Five Year Plan, now in effect, also serves to emphasize this point, for it provides for a great number of farm machines to be produced for domestic use over the next few years, thus indicating the governments decision not to move slowly along these lines for social reasons.[16]

Most Indian farmers desire to improve their methods in order to raise their living standards; they have seen the results which can be accomplished by modernization of farm practices, and they are willing to employ them. However, success also depends on considerable inputs — irrigation systems and wells, improved seed, fertilizers. Most small farmers lack the capital necessary to purchase these necessities. It is estimated that the cost of modernizing a 7-10 acre farm is about 10-12 thousand rupees,[17] a sum beyond the reach of the small farmer. Desiring to improve their condition but unable to do so, this vast group could prove to be a grave social problem for India. Such a group, under leftist political leadership in West Bengal, forcefully occupied as much as 300,000 acres of land in 1969, resulting in widespread murder, injury, and property damage.[18] Prime Minister Indira Gandhi stated in the same year, "The warning of the times is that unless the green revolution is accompanied by a revolution based on social justice, the green revolution will not remain green." [19] She also appealed to the states to more effectively enforce existing reforms as a part of their overall agricultural policy, but the state legislatures are dominated by the large landowners, who are opposed to such measures. Perhaps the fear of violence and the pressures of social tensions will serve to alter the situation before it is too late.

To truly modernize agriculture, it is essential to provide the small farmer with the means to improve his land. For this purpose, the Small Farmer's Development Agency has been established to aid in providing two million poor farmers with inputs and services; this is the first time in the history of India that this particular group of farmers has been singled out for such rehabilitation.[20]

[14] *Ibid.*
[15] *Ibid.*, p. 764.
[16] *Ibid.*, p. 765.
[17] *Ibid.*, p. 763.
[18] *Ibid.*, p. 766.
[19] *Ibid.*, p. 767.
[20] *Ibid.*, p. 767.

No matter how one views the green revolution, one fact cannot be denied; India has drastically improved its production of foodgrains to the point at which famine has ceased to be a perennial threat. Many experts, however, have predicted a leveling off, or stabilization, in agricultural production. The green revolution has given India the time she so desperately requires to solve her other pressing problems, notably the exploding rate of population increase. But that is all it has given; it is not a panacea for all India's ills, and a long, difficult road still lies ahead before India will be a truly modern nation.

Another agriculturally-related problem India faces is what may be termed her "bovine burden." [21] The emotional and religious attachment of the Hindu to the cow — the "Kamadhenu," or bountiful mother — has led to serious difficulties. It is estimated that India houses some 270 million cattle and buffalo, about ⅓ of the world total.[22] Of these, approximately 80 million are useless animals [23] and a burden to the people and the state. The problem these animals present is a very real one; the poor Indian farmer who cannot afford to maintain a useless animal, but who is prevented by his religion or the laws of his state from destroying it, generally rids himself of it by releasing it somewhere in the countryside where it either damages crops intended for human consumption or roams the streets of the city. They directly compete with the people for scant food supplies. Ten of the states prohibit the slaughter of cattle, and when in 1966 the central government had sought to make it the prerogative of the national, rather than the state legislatures, to prohibit their slaughter, mass rioting ensued.[24] The Second Five Year Plan had created "gosadans" (retirement farms) for old cattle, but their costs were prohibitive and there was simply not enough feed to maintain the animals. The burden of excess cattle is one of the many problems which can only be solved through some sort of social alteration, and this process is necessarily a violatile and a slow one. In the meantime, there is much that can be done to more fully utilize the cattle that are still useful.

Dairy products are an essential element in the diet of the Hindu, as it is generally his only source of animal protein. (India, surrounded on both sides by the sea, has a populace that consumes only about five pounds of fish per capita per year.[25]) In recent years, Indian dairymen and veterinarians have successfully improved the traditional breeds of cattle and made them less susceptible to disease and pests, more resistent to heat, and better able to survive on inferior feed. In an experiment in West Bengal, crossbreeding has led to larger milk yields at only about 60% of the cost of previous production.[26] Such improved milk yields can lead to better nourishment for those in the urban areas around which these milksheds lie. The problem of elevating the nutritional standards of rural areas is also critical. A prime example of

[21] Albert Ravenholt, "India's Bovine Burden," *AUFS Fieldstaff Reports*, Vol. X, #12, p. 1.
[22] *Ibid.*, p. 4.
[23] *Ibid.*
[24] *Ibid.*
[25] Broek, p. 248.
[26] Ravenholt, p. 12.

how a small community can not only improve its diet, but its economy and living conditions as well, is the dairy cooperative named "Amul" in the state of Gujarat. The cooperative movement in the area was begun in 1948, in which year it produced 100 tons of milk. In 1955, with UNICEF funds, the dairy plant "Amul" was constructed; by 1965, it was producing over 65,000 tons of milk and still expanding. Two years later, the capacity of "Amul" was for one million tons of milk per day, 200,000 pounds of which were pasturized and shipped to Bombay in refrigerated railcars. Forty tons of powdered milk, ten tons of baby food, and five tons of butter are produced daily, in addition to 120 tons of packaged processed cheese, 52 tons of cheddar, and 75 tons of ghee (clarified butter) per month.[27] The statistics are revealing and impressive enough, but the resulting social and economic benefits of the success of "Amul" are no less so. Related industries have begun as a direct result of the cooperative; a concentrated feed plant is producing high protein fodder, and an artificial insemination plant where selected bulls are maintained had, by 1966, provided sperm for member villages in the cooperative to fertilize over 42,000 buffalo,[28] the chief source of milk in India. (Buffalo provide ⅔ of the milk supply.[29]) The cooperative has also developed a high-yield hybrid grass to provide more nutritious green fodder for the animals, and therefore increase milk yields. A cooperative bank has also been established in which member villages deposit their funds and receive interest on them. With the profits of the cooperative, members made improvements in their living conditions; they have built schools, irrigation facilities, and wells and in other similar ways have bettered their way of life. The modernization process has inevitably intermingled with the social development of the people; learning about the processes of artificial insemination and contraception in cows, demonstrated to the village women in a private class, has aroused in them an interest in learning about the human reproductive system and methods of birth prevention which had previously been lacking. Such ideas are taking hold simply because their inherent benefits have been soundly demonstrated to the people.

The word "Amul" means "priceless." In terms of what it has meant to the people of the area, it truly lives up to its name. It is a model, on a small but impressive scale, of what can be done in rural India through a combination of local initiative and external aid. "Amul" is successful because the people have made it work for them; it is only a minute part in the solution of the overall economic problem of rural India, but to the people whose lives it touches, and to the thousands of other similar villages that could likewise profit through such an endeavor, it has been a powerful and dynamic force that has given them hope for a brighter future.

India, while not yet self sufficient in foodgrains, does have several cash export crops. She is the largest exporter of tea in the world;[30] over ⅔ of the world's jute is produced in the Ganges-Brahmaputra delta region.[31] Cotton,

[27] *Ibid.*, p. 20-1.
[28] *Ibid.*, p. 21.
[29] *Ibid.*, p. 9.
[30] Jesse H. Wheeler, *Regional Geography of the World,* (New York, 1961).
[31] *Ibid., p.*

another major export crop, flourishes in the Punjab, the western Deccan, and Gujarat, many of these areas employing irrigation systems; peanuts are cultivated in the drier areas and are also exported on a considerable scale.

The overall view of the prospects for Indian agriculture seems a promising one. With the continued improvement of new strains of foodgrains she should be able to reach self-sufficiency in this vital area — an incredible feat if one considers the dire forecasts of the decade before. With proper enactment of land reforms and a more concentrated effort on the part of the government to expand and make inputs accessible to India's small farmers, the green revolution and its accompanying socio-economic benefits can be made available to a broader section of the people. Agriculture, the backbone of the Indian economy, is stable and growing stronger. It has given India the time she requires to develop her industrial sector as well.

India is a land of great industrial potential. At present, she has one main industrial center, located on the Chota Nagpar plateau;[32] here there are coal, iron, and manganese deposits, considerable waterpower, and plants for metal fabricating, cement, and fertilizers. There are also important industrial sites outside this main center, notably Bombay and Calcutta in the north, Madras and Bangalore in the south.[33] India's proven assets in high-grade ore amount to 22% of the world's total, the greatest deposits in any single country;[34] she also possesses abundant coal reserves, though its coking qualities are poor. India ranks second to the Soviet Union in manganese deposits, and she is second to the United States in mica.[35] India is the third greatest producer of iron and steel in the Orient, led only by Japan and Red China, and she is also an important producer of salt.[36]

The means toward economic modernization in India has been central planning. Currently in the fourth of the five year plans (for 1969-1974), the economy rose by 5% in 1969-70, with industrial production up by 6%.[37] However, due to the rapid increase in the population, per capita income rose only about 3%,[38] a small increase over an already abysmal standard. In certain industrial areas, outstanding progress has been noted; nitrogenous fertilizers rose over 31%, tractors 12%, aluminum 10%, electric motors and transformers 40%, machine tools 66%, and electric power generation 15%.[39] These statistics underline the governments' new emphasis on expanding exports of specialized, sophisticated industrial goods which have yet to be developed by many other nations, such as machine tools, electric components, etc., taking advantage of the lower costs of her labor — intensive manufacturing.[40] At the same time, India wil also attempt an increase in her traditional exports, such as cotton garments.

[32] Broek, p. 311.
[33] Wheeler, p.
[34] *Ibid.*, p.
[35] *Ibid.*, p.
[36] *Ibid.*, p.
[37] "The Indian Economy in the '70's," *India News,* (Feb. 12, 1971), p. 1.
[38] *Ibid.*
[39] *Ibid.*, p. 2.
[40] *Economic Bulletin,* (July-September, 1970), p. 50.

India's 1970 trade deficit is the lowest in fourteen years; at $206 million, it is considerably less than the $1 billion average of the past three years.[41] The reduction in her trade deficit has primarily been due to an increase in exports and a deadline in imports, notably of foodgrains and fertilizers. Negotiations with some of those nations with which India has extended economic dealings have recently been concluded. West Germany, with whom India has a heavy trade deficit of $850 million (in 1969),[42] has agreed not only to extend the time allowed for repayment, but has also begun a program to provide India with information on European market conditions. France has agreed to cooperate with India in the nuclear field and to increase its imports of Indian goods. It is hoped that U.S. business investments will increase, evidenced by the Ford Company's recent agreement to build tractors in India.[43] An arrangement with Thailand provides that India import 100,000 tons of rice annually over the next three years in return for Thai purchases of an equal value of Indian industrial machinery.[44] These and other similar arrangements point to a continued improvement in the Indian economic outlook; her balance of payments has improved to the point where India will now contribute 14 million to the International Monetary Fund by providing convertible currencies for other countries.[45]

Balance of Trade (India)

Fiscal Yr.	Imports	Exports	Trade Balance
'67	2771	1542	−1229
'68	2677	1598	−1079
'69	2544	1811	− 733
'70	2090	1884	− 206

($ millions)

The total planned investment in the Fourth Plan is to be Rs. 222.52 billion, the bulk being diverted to public sector industries (132.76 public sector; 89.76 private sector).[46] The greatest detail is given to the investment in the public sector, including resource allocation and planned targets, but for the private sector, only the overall investment has been set. Indian private sector industries are controlled by fiscal and monetary policies and through the issuance of industrial licenses. A new licensing policy has attempted to aid in diversifying industrial production by allowing a 25% discount to these industries manufacturing new items,[47] but this policy has been directed towards small or medium sized industries, and not to large enterprises which perhaps would be better able to diversify their production.

[41] "The Indian Economy in 1970," *Indian News*, p. 2.
[42] *Economic Bulletin*, p. 51.
[43] *Ibid.*, p. 52.
[44] *Ibid.*, p. 51.
[45] *Ibid.*, p. 55.
[46] *Economic Survey of Asia and the Far East*, (# E.70.F.1.), p. 138.
[47] Economic Bulletin, p. 56.

The trend toward greater governmental control of the economy was clearly evidenced in 1969, when fourteen major commercial banks were nationalized. (Since then, branch expansion has tripled, and two-thirds of the new branches have been located in rural areas.)[48] One American businessman observed that Indian public sector enterprises were run by "managers with all the worst characteristics of Indian character — maddening devotion to status, jealous guarding of authority, and slavish attention to outmoded regulations," [49] and he points to Hindustan Steel, Ltd., the 24th largest steel plant in the world, as an example of a poorly run enterprise. Since its inception in 1947, it has never made a profit, and it has lost 16.5 million dollars.[50] He notes in his appeal for greater liberalization in the Indian economy that many industries are operating at only 50% of their capacity and that the items produced are often of low quality.[51] Some observers do predict a more liberal stance toward the private sector, pointing to the government's allowance of some industries to operate without a license [52] and its list of 121 industrial lines in which foreign collaboration is desirable.[53]

India also plans to pursue nuclear and space programs in the decade of the seventies. By 1973, she hopes to set up a nuclear reactor with a capacity of 200mv. as the first half of a 400mv. installation. By 1980 her target is to achieve a 2700mv. capacity for use in peaceful pursuits.[54] Although India possesses the technology and the resources to construct a nuclear arsenal, the prohibitive $15 billion cost is beyond her means. However, India is in the process of constructing factories to produce tanks, small arms, and with Russian aid, MIG aircraft. She is also planning to build her own defense missiles, including those with electronic guidance systems, at a cost of at least 1.3 billion dollars annually through 1975.[55]

In an attempt to aid the development of industry in rural areas, the Industrial Development Bank and the Industrial Finance Corporation of India will extend financial assistance to small and medium sized businesses on concessional terms. The interest rate will be 1% below the standard 7½, plus an additional ½% discount on prompt payments; there is also a 50% reduction in the normal charges of the two organizations, the time for repayment has been lengthened to 10-20 years, and the initial payment on the principle has been extended from three years to five years.[56] India has also made arrangements for aid or loans from France, West Germany, Hungary, and Rumania; a 300 million ruble credit has been extended through 1974 by the Soviet Union [59] (which is also India's chief supplier of arms [60]).

[48] *Ibid.* p. 57.
[49] James N. Wallace, "India — A Great Nation Deep in Trouble," *U.S. News and World Report*, LXVI, #7, (February 17, 1969), p. 79.
[50] *Ibid.* p. 79.
[51] *Ibid.*
[52] *Economic Survey*, p. 144.
[53] *Economic Bulletin*, p. 56.
[54] *Ibid.*, p. 55.
[55] *Wallace*, p. 80.
[56] *Economic Bulletin*, p. 58.
[57] *Ibid.*, p. 52.
[58] *Ibid.*

As of 1970, the planned objectives for the Indian economy were to increase domestic savings from 8% in 1969-70 to 12.6% in 1973-74 and to raise the rate of investment to 13.8% by that year.[61] In addition, food imports were to be eliminated by 1971, the agricultural revolution is to be sustained and expanded, price stability is to be maintained, exports are to be increased by 7% annually, and net foreign aid is to be reduced nearly 50% its 1969 amount.[62] Given the uncertain role of the private sector, the success of the Indian economy over the next few years will depend upon how well the government can meet its planned objectives.

No matter how well India is progressing as a whole, no matter how bright the prospects for her future may seem, there is one fatal flaw in the picture. Her burgeoning population is destroying the benefits which might arise from industrialization and modernization. With the tenth highest GNP in the world ($35 billion in 1969), India's per capita income is only an abysmal $70 per year.[63] The nation progresses, but the people are left behind. In a land area only ⅓ the size of the U.S. are compressed over 555 million people, and the number increases nearly 14 million each year.[64] At this rate, India's already overburdened resources will have to support over one billion people before the termination of this century. Clearly, something drastic must be done to curtail population growth.

Family planning in India was begun to some degree in 1951, but it has only received serious and concerted governmental support since 1965. During the decade between 1951-61, India experienced what has classically been termed a "population explosion" after centuries of rather sporadic growth. Previously, nature had kept the population increase on a more balanced scale; for example, over five million died in a famine in 1876-78, and another fifteen million perished in a flu epidemic in 1918.[65] However, with increased food production and importation and with the introduction of modern medical technology and hygienic practices into India, longevity has been substantially increased, and even more important, mortality among infants has decreased. Thus, more children are surviving to the age of procreation, and they add tremendously to the multiplying effect of population growth. There has been relatively little acceptance of Western standards of family size among Hindus, who traditionally desire to produce sons in order to free the father from his debts to sages, ancestors, and gods and to insure him a place in heaven.[66] Secondly, children are frequently more of an economic asset than a liability to the Indian, earning more than their cost of maintenance at an early age; also, the belief that children provide security for their parents in old age and the need to produce several children in order to insure that a few of them survive to maturity both contribute to the rapid rate of population increase.

[59] *Ibid.*, p. 54.
[60] Wallace, p. 80 .
[61] Economic Survey, p. 144.
[62] *Ibid.*
[63] Wallace, p. 77.
[64] *Population Bulletin*, XXVI, #5, (November, 1970), p. 2.
[65] Broek, p. 448.
[66] *Population Bulletin*, p. 7.

Presently, the Indian government is expending about Rs.600 million each year on family planning; the two primary methods being utilized are the intrauterine device and sterilization. The government hopes to reduce the birth rate 50% by 1978, dropping the number of births from 45 to 20 per 1,000. No other nation has ever succeeded in such an ambitious endeavor in so short a time, and as Dr. George Stolnitz of Indiana University has noted, India will have to greatly expand its family planning programs if it hopes to reach a level anywhere near its avowed goal.[67] What is more, even if India should manage to reach her target, her ultimate population would still level off at considerably over one billion; nevertheless, to continue at present rates would lead to a population of 1.5 billion by the end of this century and an incredible doubling of the population every 25 years afterward.

The burden of excess population has serious socio-economic consequences for India; for a population that doubles every generation, there must be a corresponding doubling of agricultural and industrial capacity as well, just to maintain existing standards of living. To believe that even the green revolution can keep pace with a population growth like India faces is to indulge in foolish thinking; it has given time and nothing more. The flood of over ninety million young people into the already overcrowded labor market in the 1970's will result in 63 million excess workers in the market.[68] Nothing family planning can do will be able to alter the situation in this decade. Also, the task of providing proper social services, health care, and education to so rapidly increasing a population is virtually impossible; in order to create any savings with which to provide the coming generation with a better life, it would be necessary to rob the present generation of benefits and lower its already impoverished level of existence.

It is only too evident that India's most urgent problem is, by far, the sharp and immediate curtailment of the rate of population increase. Without doing so, India has no future as a modern nation. It would appear that the government — the only agency thus far engaged in a massive family planning program — has recognized the severity and critical nature of the problem. Since realization is the first step in the solution of a problem, this is a small step in the right direction. There seems to be a great hope that science will develop a better means of contraception than presently available, but until then, positive action must be taken on a larger scale than at present. It must be realized that private agencies could very effectively work alongside government clinics in attempting to disseminate contraceptive devices and education to India's masses. Innovation is definitely called for; India has everything to gain by such means and nothing to lose. For example, in 1966 a Ford Foundation marketing specialist, in collaboration with some governmental and business colleagues, devised a plan whereby condoms (a form of contraception seldom used in Indian family planning) were dispensed at very little cost through regular retail stores. This ingenious method provided a safe method of birth control easily available to the average Indian, at a

[67] *Ibid.* p. 6.
[68] *Ibid.*, p. 9.

price he could afford to pay, and without the embarrassment of his having to go to a clinic to procure contraceptives. The program never received enthusiastic governmental support or encouragement, however, with the situation as critical as it is, such novel methods should and must be attempted, and if successful, fully encouraged. Legalized abortions might also provide another effective means of controlling population growth in India, as it did in Japan. But no matter what method or approach is taken, the essential task must be to change the outmoded ways of the people; the Indian, like any other person, desires a better life for himself and his children. If they can truly be shown the advantages of family planning and the benefits it will yield to themselves and their progeny, the battle will be nearly won. This is by no means an easy task, but it can be accomplished, and the result will surely be a brighter future, not only for India as a whole, but for her citizens as well. Monetary incentives might also prove an effective means of inducing people, especially the very poor or ignorant who understand the need for money even if they fail to comprehend the need for population control, to practice contraception.

A vital prerequisite for the orderly transformation of India from a developing into a modern nation is a stable political order. The general elections of 1967 saw the long-dominant Congress Party lose some of its political power; following the elections, serious interparty disputes arose between the liberal and conservative factions of the Congress Party, culminating in 1969 in an actual rupture of the Party over Prime Minister Indira Gandhi's nationalization of fourteen major commercial banks. Mrs. Gandhi's liberal faction managed to retain power through a coalition of leftist parties, and it became known as Congress Ruling. An ordinance eliminating the special privileges and the constitutionally guaranteed "privy purse" payments of over $6 million a year to Indian princes [69] was issued by Mrs. Gandhi's cabinet after a bill to that effect had been narrowly defeated by the upper house of the parliament. In December of 1970, the Supreme Court nullified the ordinance, and Mrs. Gandhi promptly called on President Giri to dissolve parliament and call for mid-term elections. The resounding victory that Congress (R) has received is evidence that India, despite the violence that accompanied voting in some areas, possesses political cohesion. The strong showing made by the Congress (R) was most fortunate at this period in India's development; now, perhaps more than ever, India needs firm, perceptive, and unified central leadership. She cannot afford to suffer the consequences of division in the national government or reactionary factionalism among the states. The victory is a true mandate from the people for Mrs. Gandhi to effect her program of economic and social progress. This platform, if carried out, should see India much improved in many critical areas in the near future, for it encompasses those areas most in need of remedy. It includes, among other things, land reforms so urgently required to make the right of property a reality for a greater segment of the people, constitutional and legal remedies for ensuring social justice to all and for eliminating impediments to progress, and greater

[69] Dom Moraes, "Indira Gandhi Is Either Hated or Adored," *New York Times Magazine*, (February 14, 1971), p. 45.

stimulation of the contributions of private enterprise within the framework of democratic socialism. Mrs. Gandhi has also stated her commitment to the family planning program and to the expansion of the agricultural revolution to a wider area of the nation.[70]

The Congress platform is by no means a complete or immediate remedy for all the ills that beset India, and there may be a great deal of difficulty encountered in attempting to convert ideas into reality. Nevertheless, it is a beginning. Perhaps the future will see India as one partner in a loose economic confederation of Asian states, along with Japan, Indonesia, Australia and New Zealand, Ceylon, Taiwan, South Korea, and possibly Thailand and Burma. Within these nations are the natural and technological resources with which economic viability and prosperity for the entire area could be built.

There is no doubt that India faces many serious difficulties on her road to modernization. She must compress into the span of a few short decades the process of socio-economic development which took centuries to evolve in Europe. Only a few years ago, India's chances of turning the tide against poverty, ignorance, and famine seemed negligible; now she has a reasonable chance to live up to her potential as a modern nation. The means to this end are in no way simple or certain; there yet remains much to be tried, and there will inevitably be failures and setbacks. Still, India is progressing and moving slowly forward, and the future may yet hold for the perserverence of the Indian people the reward of a better life.

NOTE:

Since this article was written in May, 1971, certain events have occurred which could seriously alter the future development of India. Although the major statistics and facts quoted are still valid, it must be realized that the influx of ten million refugees from Bangla Desh has placed a severe strain upon India's already scarce resources. Add to the hundreds of millions of dollars it has cost India to maintain these refugees the cost of the two-week war with Pakistan, and the conclusion becomes only too obvious — India's future economic progress will be impeded.

Even though Bangla Desh may now be independent of Pakistan, it is by no means independent from others in an economic sense. One of the most destitute areas on the Subcontinent, it had to import over two million tons of foodgrains annually even after the best of harvests, and this simply to maintain subsistence levels of existence. Its sole export crop, jute, is a product for which there are now good substitutes, and even if the world demand for jute were to remain stable, there is no telling, as yet, how great a share of that market has been lost to Bangla Desh due to the ten-month disruption of its economy. It has been estimated that Bangla Desh will require at least 2.5 billion dollars in aid just to recover its antebellum economic position; certainly, it will be expecting to receive some of this amount from its patron state, India.

[70] *Ibid.*, p. 58.

Added to these already ominous statistics is the fact that the majority of the intellectual elite who could have formed the core of the new Bengali government have been liquidated during the period of the insurrection. Furthermore, even if a substantial number of trained Bengalis can be found, it is dubious that they have been educationally prepared to be capable of rendering the type or the quality of leadership essential to raise Bangla Desh to a position of stability and equality in South Asia.

It would appear at this point that India's involvement in Bangla Desh is far from terminated. The strategic location of this newly-independent nation will make it essential to India's security to ensure the stability of Bangla Desh; Indian civil servants will flow into that nation, as will Indian foreign and military assistance, for some time to come. With all India must accomplish in order to modernize, she now will bear this additional burden. Pakistan may have lost the unity of its nation, but in the final analysis India may have lost much more, for she has become the protector of a very proud, but very poor, client state; unfortunately for India, it is a weight she can ill afford to carry.