

Discussions with Amit Bhaduri regarding his concept of "Development with Dignity" led some of us to think that the alternative path of development he was trying to chart could present before the resistance movement against the current onslaught of the big corporations a current programme of action which would also be relevant to the greater task of social transformation. A draft of such a programme of action is being hereby circulated for discussion.

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Work for all: An alternative path of development

We start with two central questions: Development for whom? Who is to control development?

The most pressing problem at this juncture is that of the great majority of Indians living in inhuman poverty. Their existence is marginal and they have no role to play in the country's current path of development. Their agony and latent anger accumulate like thunderclouds on the horizon. They have lost faith in the promise that the 'trickle down effect' will better their lot some day. Their experience has convinced them that the 'trickle' reaches only those who have access to influence. An alternative path of development is immediately called for, an alternative that might chart a course of freedom for the teeming millions from their current miserable state of poverty.

If the alternative path of development is really to be for these teeming millions mired in poverty, then, to start with, everybody has to be guaranteed a living, which usually means employment. Living on wages for one's own productive work, rather than on doles, will not only ensure economic security but also lead to recognition of social worth. In course of time, these citizens will take an interest in shaping their own development as well as that of fellow citizens; will find their voice and eventually the confidence to intervene locally and nationally in the participatory political and economic democracy that India ought to be. This complete economic, social and political transformation arising from full employment has been termed, 'Development with Dignity'.

The current model of growth without employment (West Bengal, in fact, exhibits negative growth of employment in the organised sector) under the leadership of big business houses (national and trans-national) must be summarily rejected. The significant characteristic of this model is not only its inherent antipathy towards the interests of the poor, but also that the growth of corporate profits occurs at the cost of a majority of the population surviving in conditions of poverty; in fact, these profits are extracted by forcing deprivation on them .

- **Huge Capital intensive investments, negligibly few incremental jobs**

Large investments, with highly automated labour saving technology, which require fewer but more highly skilled labour, significantly reduce the gross wage bill, with the objective of selling cheap in the export market and earning dollar profits. This is the theme of the current development model resulting in GDP growth without concomitant growth in employment. Take the Tata Motors plant at Singur, a flag bearer of this development model. It is designed to manufacture the Nano at Rs. 1 lakh per car, the competitive price being a direct consequence of minimising the number of employees. The Tata Motors plant which manufactures the Indica car employs 300 employees only. In the motor car industry, every job is currently backed by a worth of three-quarters of a crore. Had the Singur plant the same productivity as Bajaj Auto's plant of 2004, it would have employed 760 persons. For every job there would have been Rs 2 crores of investment. Actually the employment potential will

be possibly even lower in Singur because the Tatas will apparently be using updated technology.

After a big plant starts production, the number of employed hands goes down even as production goes up. So, productivity per employee goes up, this being the object of the reduction in the number of employed. To cite an example, Tata Steel, at Jamshedpur, in the decade since 1991, reduced its employee strength by half while production went up five times.

Another ploy to reduce labour cost is to replace employees on the roll with casual employees. This is another attack on the working people. Casual employees normally work at lower wages, under much tougher conditions of work.

To retain and enhance benefits and subsidies, Tata Motors have intermittently threatened withdrawal from Singur. Political and cultural bigwigs, camp-followers of the Tatas, have been crying themselves hoarse that with the exit of the Tatas, development will come to a halt in West Bengal. The reality is that although the quantum of investment in the Nano car plant and its ancillaries is huge, its employment generation capabilities are minimal (a few hundred in the main plant and a few thousand in the ancillaries?). Talking of long term development, the Tatas have been in Jamshedpur for 100 years, and for many years in Orissa. Yet, Bihar (and Jharkhand) and Orissa remain persistently within the last three ranks of the poorest states of the country. That the Tatas in Singur have nothing to offer to the unemployed of the surrounding district of Hooghly and, in fact, to the unemployed youth of West Bengal is amply borne out by the fact that they have not sent any notices of vacancies to any employment exchange in the district of Hooghly.

- **Loot of natural resources, expropriation of inhabitants, destruction of livelihood**

Land-water-forest-mineral resources are being cornered by corporate houses with the active connivance of the central and state governments of all political colours. About 1000 acres of highly fertile cultivable land (significant portions of it yielding three crops) were gifted to the Tatas in Singur under the cloak of a secret agreement. A portion of the agreement released by the government of West Bengal, under public pressure, reveals that, a 90 year lease has been allowed to the Tatas at rates much lower than that prevailing in the market. A loan been advanced to the Tatas at 1% interest (payment to commence after 20 years) and tax holiday (VAT and other state taxes) has been given to the Tatas, all at a cost of Rs.800-850 crores to the public kitty. It is indeed loot.

Not only has the interest of the Singur landholders been adversely affected, the Nano project has impacted the sources of livelihood of another 10,000 persons like daily labourers, sharecroppers, van rickshaw pullers, vegetable vendors etc. The same Tata group faced resistance when they tried to expropriate adivasis from their land in Kalinganagar with the active connivance of the Orissa government. The resistance culminated in the death by police firing of 14 adivasi agitators. Goons in the pay of the Tatas have threatened to kill all the resistance leaders and have already killed one and injured another. One of the Ambani brothers is operating in a similar manner in Uttar Pradesh and another brother in Maharashtra.

Soft drink manufacturers' unbridled use of groundwater and spread of polluting activities have faced resistance in Uttar Pradesh and Kerala.

Another recent example of expropriation and loot is the proposed Coastal Management Zone Notification 2008 which intends to extend the tentacles of corporate led predatory growth to coastal India. If it evolves into an Act, national and transnational big capital will have access to the 7600 km long Indian coastline and they will certainly imperil the lives and livelihoods of more than 1 crore people from the fisher and fishworker families through eviction and destruction of coastal resources.

Retail trade, which is a source of livelihood of at least a sixth of the country's population, is being opened to national/trans-national big capital to the peril of small retailers/vendors. Kolkata Municipal Corporation has released 150,000 sq. ft area in its Park Circus market to Reliance for retail trade whereas only 55,000 sq. ft. has been set aside for the existing small traders/vendors.

The current national-transnational big capital sponsored development model does not improve the living conditions of the poor, enhance the natural resources they can command or develop their various sources of livelihood; rather, it destroys what is already there. Not only for the poor but also for unemployed young men and women, big investments by Tata and its ilk are meaningless –they do not generate employment -- it is noteworthy that no employment vacancy notice has been released for the Singur project. Big business is not interested in unemployed youth.

This development model ought to be rejected outright.

- **Development with Dignity**

The desired development model must start with an objective of generating employment, with a goal of employment for all within a period of five years. Can a beginning be made right now? The spread, effectiveness and reach of the 100 days employment per household programme under NREGA has faced resistance from rural vested interests and bureaucrats (in 2007-08, only 18 days work under NREGA was provided in West Bengal). For NREGA to be fully functional in West Bengal work must be available on demand. There are many pockets of inhuman poverty in urban areas too. In the 74th amendment, employment programmes are envisaged in urban areas -- this must also be implemented.

There is no reason why this development model should not lead to a high rate of economic growth. Persons outside the production process will now start to produce, albeit a small amount per head -- but they will be many crores in number. So growth will continue, and, for a change, the distribution will be spread over many crores, the rich getting richer and the impoverishment of the poor will stop.

Money in the hands of the poor will enable them to have square meals, dispense with tattered clothes, and, after satisfying their basic needs of food, clothing and shelter, go on to buy goods and services beyond their basic necessities. Purchasing power in their hands will therefore expand the internal market. Items of daily use such as knives, scissors, cycles, televisions, soap, cosmetics, frocks, salwars, trousers will be in demand and will support local small industries. These local initiatives will produce ordinary goods for local use at low prices.

Such small industries have huge employment potential vis-a-vis large capital intensive industries. Whereas, in the case of big capital intensive industries every Rs.2 crores invested generates employment for one person, in the case of small industries every Rs.1 crore

investment generates employment for 150 persons, on an average. Annually, 12 lakh aspirants are being added to the job market in West Bengal. A few hundred or even a few thousand jobs generated by big capital investments will not be of much use in absorbing this influx. Rather, it is improvement in agriculture and expansion of small industries that is expansion of the domestic market which will secure their future. This scheme of expansion will require engineers, science graduates, teachers, doctors etc. Perhaps the job options will not be as lucrative as in the IT industry, but there will be much greater security and much less tension, since these sectors will not show a person the door every time the US economy catches cold, as is the case in Sector V. The surprising, but logically compelling conclusion is that the futures of our young men and women are linked not with the Tatas but with the agriculturists-share croppers-agricultural labourers and small businessmen and their workers.

Who will provide the seed money for employment generation through a NREGA-like programme which is the first step in this alternative economic model? Gradually the expanding domestic market and rejuvenated agriculture will be able to fund the expenditure. Till such time the expenditure will have to be provided in the central budget, for nothing can be more important today than employment generation for the vast majority. If the expenditure results in a deficit budget, so be it.

Such deficit will not lead to inflation if this NREGA-like programme is oriented towards production of goods and services. Roads for transportation, irrigation canals, granaries, godowns and cold storages for agricultural products, measures for improved utilisation of water, forest, plantations and land will result in the production of goods and services side by side with the rise in incomes arising from the expenditure for the programme and there is no reason to fear inflation.

On the other hand, the demand for wage goods like food and clothing will go up as the expenditure for the programme finds its way into the hands of the wage earners as income. Moreover, construction of infrastructural projects, towards which the thrust of NREGA is directed at the beginning, will increase the demand for materials like cement and steel. The food grain reserves of the government of India are currently hovering around the just adequate level (though transnational big capital has been allowed in this sector and the public procurement of food grains has slackened) and the cement industry is installing additional excess capacity. So there is no compulsion for price rise in the case of food grains and cement. However, there is no idle capacity in the steel industry nor an adequate reserve of oil seeds. None the less, these can be easily imported using India's current huge reserves of foreign exchange.

From whichever point of view we examine the question, the chances of too much money chasing too few goods is a remote possibility and so is the inflationary potential of the full employment programme. Now, the Fiscal Regulation and Budget Management Act prohibits the government from indulging in superfluous expenditure leading to a deficit budget. At first glance, this definitely looks good, for all of us are aware of and not favourably disposed towards superfluous expenditure by government. However, this IMF and World Bank sponsored enactment is a road block for schemes targeted at the marginalised and the poor, like the 100 days work for eligible rural households under NREGA.

Curtailed rural developmental expenditure has contributed to a fall in rural incomes and consequent decline in the per capita utilisation of foodgrains, malnutrition becomes a danger. Reduction of subsidies on inputs, higher power tariffs and dearer bank credit, added to a global fall in the export prices of most crops including raw cotton has led to mass- scale

farmer suicides. This enactment must forthwith be scrapped if we want the government to finance pro-poor expansionary economics.

- **Development by whom? Who will implement this programme?**

There have been many development programmes in the past but none have involved the participation of the poor in its implementation. The disappointing implementation status of NREGA (18 instead of 100 days in W Bengal in 2007-08) makes it amply clear once more that for any development programme targeted at the poor to succeed, the reins of the programme must be in their own hands.

If this programme is implemented through panchayats, then an avenue for participation of the target group in its implementation is immediately opened up. The participation can take the form of according one's consent or exercising veto to a particular proposal at the gram sansad. The strength of a gram sansad is on an average 700, which is not too large for all members to meet formally and take decisions. Under existing law, gram sansads can act in advisory capacity only, but a demand must be made to enhance/extend their power to take binding decisions on developmental matters pertaining to villages and anchals. In the 73rd amendment, list no. 11 enumerates activities earmarked for panchayats (namely poverty eradication, education, health, land reforms and the like), and these ought to be brought (like administering the village school) under the administrative control of the panchayats. It may be emphasised that the present system of dual administration by the state government and local self government bodies is in effect ineffectual, on the ground.

Finance for activities earmarked for local self government bodies must be separately provided for in the state budget and it must be ensured that it flows directly to the panchayats, without any intervention. Further, although allocated funds get parked in the panchayat's account with the nearby branch of a nationalised bank, any withdrawal requires approvals from the BDO and district authorities. A demand must be raised for locating the authority for withdrawal and utilisation of the funds with the elected gram panchayat and not with state government bureaucrats.

What about misfeasance and defalcation? On one side, gram sansad and any citizen must have the right to inspect panchayat accounts. Their statement of income and expenditure, lists of individual beneficiaries, and a progress report of projects must be prominently displayed at the panchayat office. On the other side, banks will monitor the panchayat's accounts from the point of view of utilisation of funds for implementation of the project and release further funds when financial and physical landmarks underlying the project are fulfilled. Yet, there will be some misfeasance. Does not that happen even now?

- **Achieving Local Self government is a political struggle**

Rural India is ruled by a nexus of feudal landlords-kulaks-dishonest traders-petty officials-political partymen. Trying to ensure that panchayats function in a way so as to further the interests of the rural poor is an invitation for a struggle with this nexus of vested interests on every issue. This nexus draws its power from the state and its coercive apparatus. The moment their authority is resisted and their interests affected, the state apparatus will bare its fangs, and perhaps the police will march hand in hand with arrogant political gunmen, as happened in Nandigram.

So, the method of struggle will depend on the nature of the reaction of this nexus and the state. The crux of the matter is that the poor are today with their backs to the wall and they have no space to retreat. Will even the right to livelihood given by law be denied to them? No longer will this be tolerated. The right to live with dignity will be won by the people whatever be the method required.

How to organise has been shown by the people of Singur-Nandigram. The Nandigram resistance was initially organised by peasant committees comprising both men and women drawn from the struggling people, based on their individual records of integrity and activity, and irrespective of their political colour.

There is another lesson to be learnt from Singur-Nandigram. On broad issues and questions affecting everybody (for example on the question of forcible acquisition of land) the rural poor can unite and rally the entire rural society (including the richer peasants) against aggression by the state.

Immediate programme

- Every person who demands work must be provided with 100 days work under NREGA through gram panchayats.
- Everyone must be entitled to see panchayat accounts, list of beneficiaries, progress report of projects; these details must be displayed prominently for public knowledge.
- Gram sansad has to be empowered to take decisions autonomously about the development of villages and anchals; elected gram panchayats have to be liberated from the control of petty officials and must have financial autonomy
- Fiscal Responsibility and Budget Management Act is to be scrapped.
- Immediate stoppage of the transfer of scarce land and other natural resources (fertile multi crop land as in Singur) to corporates.

(NOTE FOR READERS:

What has been presented above comprises some aspects of a road-map. Of necessity, the road-map refers to the target as it is today. Any other view would be theoretical. The target is a moving one, and, as the economic, social, and political situations change so will the road-map.

Development is a process which is shaped by politics and through which politics is shaped. There are stages in every developmental process, and so long as we have too many desperately poor people this must be the focus and content of developmental politics. One should not fall into the trap of trying to go beyond this immediate focus to a model for the "whole" economy including the market for the rich and the export market and the roles of the corporations and the public sector. When we reach full employment following development with dignity, we will chalk out the next step in a changed political environment; until then corporations can coexist but without interfering adversely with this core developmental process. No doubt, even such containment of the corporations will require tremendous struggle.)