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The Alternatives
**Socialism
or
Barbarism**


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Collected writings of
G.V.S De SILVA

by
LES ABEYSEKERA

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CONTENTS

	PAGE:
INTRODUCTION	1-4
THE ECONOMICS OF RUPEE DEVALUATION	5-34
THE WORLD BANK MISSION'S REPORT	35-80
SOME HERETICAL THOUGHTS ON DEVELOPMENT	81-109
WORLD INFLATION AND OUR ECONOMY	111-124
EVOLVING GUIDELINES FOR FOR RURAL DEVELOPMENT	125-132
BHOOMI SENA	133-237
SOCIAL CHANGE	239-286
PIDA AND ITS VISION OF DEVELOPMENT	287- 300

This book brings together some of the writings of G.V.S.de Silva, the first Chairman of the Council of Management of the Social Scientists' Association.

G.V.S.de Silva, as will be evident from his writings, was by training an economist, who later broadened his interests to cover the whole process of social change; when asked to define his area of interest, he would say - development, both theory and practice.

G.V.S.de Silva was born in 1928. He finished his secondary education at Ananda College, Colombo, from where he won a scholarship to the University of Ceylon. He read Economics and graduated with first class honours in 1948, also winning the Gold Medal in Economics. He then took up an appointment at the University as an assistant lecturer in the department of Economics; he spent the years 1950 to 1951 at the London School of Economics on study leave; however, he did not remain there long, and also left the University of Ceylon in 1954. He was active in Left politics during these years being among the first Sri Lankans to visit China after the Revolution.

However, he spent the next fifteen years working in various public sector enterprises. He began as Private Secretary to Philip Gunewardena, the veteran Left leader, one of the founders of the Left movement in Sri Lanka who was appointed Minister of Agriculture and Food in the MEP government of S.W.R.D.Bandaranaike in 1956. He continued serving the government after the departure from the Cabinet of Philip Gunewardena. During this period he was Director of Economic Research in

the Industrial Development Board during 1967/68 Economic Adviser to the Ceylon Petroleum Corporation which had just been set up to take over the nationalised petroleum distribution network, Chairman of the Insurance Corporation, again set up to take over the private insurance industry from 1968 to 1970 and finally Chairman of the Industrial Development Board.

G.V.S.de Silva contributed greatly to the formulation and implementation of the Paddy Lands Act of 1957 which sought to secure to the share-cropping peasants their tenancy rights as well as to regulate relationships between landlords and tenant farmers. This was one of the most significant measures in transforming relationships in peasant agriculture. The debates over this Act between the various constituent elements of the MEP coalition were fierce; they eventually led to the resignation of the Minister. After his departure some of the features of the Act were revised in favour of the land-lord. G.V.S.de Silva also made a significant contribution to the formulation of the government's agricultural policies, which were embodied in the Agricultural Plan of 1957.

He also made a very important contribution to the growth of the public sector in Sri Lanka. He was initially associated with the planning that preceded the nationalisation of oil distribution and of insurance and helped in the management of the public sector enterprises that were subsequently set up.

From about 1970 onwards, G.V.S.de Silva also took up some assignments from international institutions like UNIDO, ESCAP, the Asian Institute for Development etc. in the areas of industrial growth and the creation of the necessary infrastructures

such as promotional legislation and later, in the area of rural development. This was, in a sense, a return to an area which had held his interest from 1956 onwards, i.e. the development of rural productive forces based on a structural transformation of the social relations of production in the countryside.

G.V.S.de Silva was a Marxist. He had, in the period immediately subsequent to his graduation, been a member of the Ceylon Communist Party. He continued to actively participate in the work of the party till the early fifties, when he broke his connections on theoretical grounds; he felt that the party was lacking in sympathy with the nationalist forces that were then emergent. After his departure from the Party, G.V.S.de Silva continued to function as an independent Marxist, giving his theoretical and organisational assistance to these forces that he thought were active in changing society in a socialist direction. Later, rather disillusioned with such activities, he devoted himself to working on the concepts of change in the rural areas allied to wider changes in social structures. The last three or four years of his life were devoted to the task of setting in action such processes of change in the spaces available in the Sri Lankan countryside. The Participative Institute for Development Alternatives (PIDA) in whose foundation he played a leading role was his chosen instrument for this purpose.

The writings that are collected in this volume are intended to bring together the more significant of his writings, and to show the development of his ideas on social change. G.V.S.de Silva wrote little, except towards the end when he felt he

had sufficiently refined his ideas. This poses some difficulties for an editor, but it is hoped that the papers that are presented here in chronological order, will, in addition to their intrinsic interest, show the development of his thinking.

G.V.S.de Silva has been called one of the few creative Marxist thinkers in Sri Lanka. It can be contended that the essay on "Social Change" fully justifies this description.

G.V.S. de Silva is remembered by many as a teacher, as a colleague, as a fellow political activist and as a generous friend, always ready to enrich any discussion with his vast knowledge and keen theoretical insight. To us at the Social Scientists Association, he was a stimulating and innovative Chairman. He contributed greatly to the conception behind the Association's first major research project on Agrarian Change. We hope that this collection will serve, however inadequately, as our memorial to him.

This article, based on a series of lectures delivered by G.V.S. de SILVA at the University of Ceylon, appeared in the first issue of the CEYLON ECONOMIST in August 1950. This journal was published by the Economic Research Association and G.V.S. de Silva was a member of its Advisory Board: the objectives of the journal were set out in its Editorial Statement as follows: "information on our economic problems issues today from governmental agencies or sources close to them. Such information is very inadequate. It is interested and tends to be partisan. It is piece-meal and ad hoc. It is related less to questions of our economic development than to administrative practice and book-keeping. It is largely inexpert. There is, then, an urgent need for fuller, detailed, connected, critical information: we will endeavour to meet this need". This detailed and well argued examination of the various economic consequences of a devaluation is a successful demonstration of the objectives that the CEYLON ECONOMIST set before itself in meeting a need which continues to exist even to this day.

The author's intention in this article was "to explain the technicalities of devaluation and more, the consequences especially on Ceylon in relation to foreign trade and standards of living" We believe that its concerns and its mode of analysis are relevant even in our current situation.

The author's intention in this article was to explain the technicalities of devaluation and more the consequences especially on Ceylon in relation to foreign trade and standards of living. We believe that his concerns and his mode of analysis are relevant even in our current situation.

It is interesting to note that the author's analysis of the devaluation of the Ceylon Rupee in August 1950. This journal was published in the Ceylon Journal of Economics and Statistics, Vol. 1, No. 1, 1950. The author's analysis is based on the fact that the devaluation of the Ceylon Rupee was a necessary step to correct the balance of payments. The author's analysis is based on the fact that the devaluation of the Ceylon Rupee was a necessary step to correct the balance of payments.

THE ECONOMICS OF RUPEE DEVALUATION

After much hesitation and influenced no doubt to a great extent by American pressure, both political and economic, the British Government devalued the pound sterling in terms of gold by 30.5%. Hence its value in terms of the U.S. dollar which retains its previous gold value, has depreciated by an equal percentage. Ceylon too, happily pursuing a policy of "follow my leader", promptly slashed the value of the rupee by 30.5% of its dollar equivalent. The purpose of this article is to examine the effects of devaluation of the rupee firstly on Ceylon's economy as a whole, secondly on the different income groups in the country, and finally to consider whether the rupee devaluation was a measure justifiable not only from purely economic considerations, but also from the point of view of equity and social justice.

As a result of devaluation the exchange rate between the rupee and the dollar has been altered from Rs.1 = 30.2 (U.S.cts) to Rs.1.= 21 (U.S.cts), \$1 = Rs.3.80 to Rs.4.76. In concrete terms this means that an article in Ceylon which costs Rs.1 could be bought by an American for 30.2 cents (U.S.) before devaluation. Today he pays only 21 cents (U.S.) for the same article which still costs Rs.1 in Ceylon. It also means that today we in Ceylon have to pay Rs.4.76 for an article which costs \$1 in America, while before devaluation the same article still priced at \$1 could be bought by us for Rs.3.30. Thus, if we assume that internal prices in Ceylon and America remain unaltered, (this is not a valid assumption as will be shown later) then the effect of devaluation is that Ceylon goods will be 30.5% cheaper to Americans and American goods 44% dearer to Ceylonese. This same result could also be stated in terms of the change in the external

purchasing powers of the two currencies. Before devaluation a dollar bought Rs.3.30 worth of goods while today it buys Rs.4.76 worth of goods in Ceylon - i.e., 44% more goods. Similarly it will be seen that a rupee now buys 30.5% less goods in America.

With respect to the other countries too which have not devalued the same situation will obtain. The Pakistan rupee and the Swiss franc for instance will buy 44% more commodities in Ceylon, while our Rupee will buy 30.5% less of their products. Countries which have devalued their currencies by less than 30.5%, would find our goods cheaper while their products would be more expensive in Ceylon. The exact degree would depend on the extent of devaluation. For instance, the Western German Deutsche-Mark has been devalued by 21.4%. Hence we will be paying 13.3% more rupees for their goods while they will pay 11.8% less marks for ours. Finally there is the 3rd group of countries consisting chiefly of the sterling area with the exception of Pakistan and Canada which have devalued their currencies to the same extent as Ceylon. In this case the pre-devaluation exchange rates between the currencies of these countries remain unchanged. An Australian, for instance, would still have to pay the same amount of pounds (Australian) as before for an article in Ceylon. And a Ceylonese would be no better or worse off in buying Australian goods than before. It must again be emphasized however, that this analysis of the change in the external purchasing powers of the various currencies after devaluation in terms of exact percentages is based on the assumption that the prices of the various commodities in these countries (i.e., the internal purchasing power of their currencies) remain the same. For, we cannot say that, since a dollar

will now buy 44% more rupees than it did before, it will also buy 44% more Ceylonese goods, unless we assume that a rupee buys the same amount of goods in Ceylon as before, (i.e., that the internal purchasing power of the rupee is the same). If a rupee now buys less goods in Ceylon (i.e. if prices in Ceylon have risen), then the increase in the purchasing power of the dollar in terms of Ceylon products will be proportionately less than 44%. Or again if prices in the U.S. fall, then the decrease in the purchasing power of the Ceylon rupee in terms of U.S. goods will be less than 30.5%, although the decrease in terms of the U.S.dollar is still 30.5%. The Australian would still buy the same amount of goods in Ceylon as before and our rupee would be no better or worse off in buying Australian goods.

What then is the significance of the devaluation of the rupee for Ceylon's economy? We will consider the effects of devaluation first on our exports to the U.S., next, on our imports from the U.S. and finally on our trade with the Sterling Area. The immediate effect as we saw above would be the cheapening of our goods to America and the other countries which have not devalued, and also to Belgium, Western Germany and others which have devalued to a lesser degree than Ceylon. This obviously would increase the demand of these countries for our exports and consequently raise the rupee prices of these exports. It is the extent of this increase in the prices of our exports which is the measure of the beneficial effects of devaluation on our economy. For the economic worth of devaluation to Ceylon lies not in increasing our exports at existing prices, but in increasing those prices without reducing the exports. Ceylon does not have an export problem in the sense of an exportable surplus

at existing prices. In fact at existing prices we are exporting all the rubber and tea we produce. Our problem is to increase the prices of these exports.

In the case of rubber the price has risen from the pre-devaluation figure of 55 cts per lb - i.e., 16 1/2 (U.S. cts), at the old exchange of Rs.1 = 32 (U.S. cts), and although it is still fluctuating it may be expected to stabilise itself at about 68 cts, per lb - i.e., 14 (U.S. cts) at the new exchange rate at Rs.1 = 21 (U.S. cts). We cannot expect to reap the full benefits of devaluation in the form of a 44% increase in the price of rubber - i.e. 79 cts. (16 1/2 U.S. cts) at the new exchange rate because the fact that America can restrict her purchases of natural rubber and fall back on her synthetic industry gives her the controlling voice in determining the price of rubber. (And) she has naturally seized this opportunity to lower the dollar price of rubber from 16 1/2 to 14 U.S. cts. A further problem which immediately crops up is: what would be the effect of this lower dollar price of rubber on the total dollar value of the rubber exports? If our rubber is to earn the same amount of dollars as before then obviously American imports of our rubber must increase by an amount sufficient to balance the 2 1/2 cts (U.S.) fall in the price of a lb of rubber. In considering this problem we have to take into account what is technically termed the elasticity of American demand for our rubber. This is a measure which relates the increase in demand to the fall in price.

We can then state our problem as follows: Is the elasticity of American demand for our rubber such that the 15% (15 1/2 - 14 cts) fall in the price of rubber to U.S. consumers will increase

their demand for it by 15%? For it is only then that the fall in price will be sufficiently offset by the increase in quantity bought so as to leave the total dollar value unchanged. Here we have to take two facts into consideration: (1) This fall in the dollar price of rubber would apply equally to Malayan and Indonesian rubber since those countries too have devalued their currencies to the same extent as Ceylon. Consequently, any increase in American demand due to the lower price would be distributed between all these rubber producing countries. And if the distribution of U.S. consumption between these countries before devaluation - when Malaya supplied 62%, Indonesia 15% and Ceylon only 7 1/2% of U.S. imports of natural rubber - is any indication of the distribution of her increased consumption after devaluation then Ceylon's share in this increase is obviously bound to be very small. (2) The restrictions imposed by the U.S. Government on the consumption of natural rubber will severely limit the increase in American demand for this commodity. Hence, the prospect of a 15% increase in the demand for Ceylon rubber does not seem, to say the least, very bright.

More or less the same analysis is applicable to Ceylon's tea and other exports to the U.S. The rupee prices of these commodities will rise and as we saw before, this is one of the beneficial effects of devaluation. But, as in the case of rubber, their prices will not rise by the full extent of the appreciation of the American dollar (44%) and therefore the dollar price of these commodities will fall. We have therefore again to pose the same question as to what would be the effect of these lower dollar prices on the total dollar value of these imports. Is the elasticity of American demand for these products

such that the increase in demand consequent on the fall in prices is sufficient to offset this decrease in prices and so leave the total dollar value unchanged? Here again, the fall in the \$ price of tea, for instance, would apply equally to Indian tea and since American import of Ceylon tea is but a fraction of her import of Indian tea, only a small amount of the increased American demand will accrue to Ceylon. Another important factor in the situation is the attempt of Allied headquarters in Tokyo to increase Japanese tea exports to America as one of the means of revitalizing the Japanese economy and thus making her a bastion against communism in Asia. This may mean some sort of preferential treatment for Japanese tea, in the form of high import duties on tea from other countries and restriction of imports from those countries by means of import quotas. Here as in the case of America's careful fostering of her synthetic industry, we see the importance of political factors.

Any analysis of an economic problem in terms of maximum economic advantage is bound to be misleading. For a thorough understanding of such problems they must be placed not only in their economic setting, but also in their political context. Taking into consideration the impact of all these forces, both political and economic, we cannot be too optimistic about the dollar value of our exports to the U.S. increasing or even remaining the same. There is still another factor we have to consider which should make us even still more pessimistic about any increase in the dollar earning capacity of our exports. This is the effect of devaluation on industrial production and consumption in America. As will be shown later our imports from America will decrease as a result of devaluation; we have now to pay more

for U.S. goods than before. There would be a similar reduction in imports from U.S. by all the other countries which have lowered the value of their currencies in terms of the dollar. The net effect of this slashing of imports from America on American industry, employment and income will be considerable, and the present trade recession in America will be considerably aggravated and may even become a major depression. In addition, export of American capital, encouraged by devaluation of Sterling Area currencies will have a deflationary effect. Before devaluation it was estimated that production and consumption in America will be 10% below that of last year. After the fall in American exports and the consequent decline of American incomes, the decline in production and consumption will be very much more than the estimated 10%. In concrete terms this means that the U.S. demand for Ceylon's rubber will be adversely affected because U.S. consumers such as automobile manufacturers who buy a large part of our rubber exports to America will curtail their purchases due to the declining foreign and home markets for their manufactures. Again U.S. consumers when they find their incomes falling will reduce their expenditure and this will react adversely on the American demand for our tea. The odds therefore seem to be heavily against an increase in the American demand for our exports sufficient to offset the fall in their dollar prices and in all probability therefore the dollar value of our exports will fall. The above analysis disposes of one of the main arguments for devaluation i.e., that the dollars earned by our exports would increase due to the devaluation of the rupee.

What would be the effect of devaluation on our imports from America? There are two aspects of this question which we must consider: (1)

The effect of devaluation on the dollar prices of American goods and on the rupee prices which we have to pay for these goods; (2) Its effect on the quantity of our imports from the U.S. As we saw earlier, an article which is priced at \$1 in America would now cost Rs.4.76 while before devaluation we had only to pay Rs.3.30 for it. Therefore, if American prices remained unchanged (this was an important qualification we emphasised above), a Ceylonese would have to pay 44% more rupees for the articles he buys from America. But U.S. prices will not remain at their pre-devaluation figure. There will be a number of forces tending to drive them down. If, for instance they did not fall, Ceylon and also all the other countries which have devalued to the same extent as Ceylon would find their imports from America 44% dearer. The net effect of this would be a substantial decrease in the demand for American goods and therefore a decline in industrial production, employment and incomes in America. If she is to moderate the force of this economic recession, she will have to lower her dollar prices in order to make her goods competitive in the world market. On the other hand, if she does not lower her prices and exposes her economy to the full blast of the depression, then the resulting fall in American incomes would reduce American consumption. This lower demand for the products of American manufacturers would lead to a fall in the prices of these products. So that in any case American prices are bound to fall as a result of the devaluation of the currencies of the countries which bought her goods.

Secondly, we saw that although the rupee price of Ceylon rubber had increased from 55 to 68 cts. the dollar price of this rubber fell from 16 1/2 to 14 cts U.S. This reduction in the dollar

price applies not only to Ceylon's but also to Malayan and N.E.I. rubber. The 2 1/2 cts (U.S.) reduction in the price which American tyre manufacturers have to pay for a lb. of raw rubber would lower their costs of production and therefore in order to compete in the world market they could lower the dollar price of tyres without incurring much loss. This applies to all American manufacturers which use raw materials imported from countries that have devalued their currencies. For in all these cases costs of production would fall because the dollar prices which American manufacturers now pay for these raw materials is less. The fall in U.S. prices means that although imports from America would still be dearer to us, the increase in the rupee prices we pay for these goods would be less than 44%. For instance, for an article which costs \$1 in America we paid Rs.3.30 before devaluation and if the American price after devaluation is still \$1 we pay Rs.4.76 for this article. But, after devaluation, the American price of this article will be lowered due to the various causes mentioned above. Suppose the price of this article in America falls to 90 cts (U.S.). The post-devaluation rupee equivalent for this is Rs.4.28. Hence the increase in the rupee price after devaluation is from Rs.3.30 to Rs.4.28 i.e. 30%, while if the price of that article did not fall to 90 cts but remained at \$1 the increase in the rupee price after devaluation would be from Rs.3.30 to Rs.4.76 i.e., 44%. The fall in American prices therefore will be a factor which mitigates the adverse effects of devaluation on the rupee prices of our imports from America. But it will only soften the impact of devaluation on these prices, and not completely eliminate its adverse effects. In short, we will have to pay more now for American goods, but how much more will depend on the extent by which the prices of these goods fall.

In considering the second aspect of the problem i.e., the effect of devaluation on the total quantity of our imports from America, an important factor which must be taken into account is our recent agreement with Britain to restrict our purchases from America by 25%. This 25% is only the compulsory lower limit: for Britain will certainly not grumble if we voluntarily restrict our imports from America by more than 25% and contribute the dollars we save thereby to the dollar pool. If we do so it will not be due to the altruistic motive of helping Britain out of her difficulties (for our difficulties are as great as her's), but because the increased rupee price we have now to pay for these imports will reduce our demand for them. Whether this voluntary reduction will be more than 25% will depend on a complex of factors; viz., the extent of the increase in the rupee price of these imports, the type of goods we import from America, whether these goods could be easily obtained from other countries at cheaper rupee prices, and finally the effects of the devaluation of the rupee on the incomes of the people in Ceylon who normally buy these goods imported from America. It is difficult to foresee the final result of the implication of these forces on the voluntary reduction of our imports from America. But whatever this result may be, the fact still remains that as a result of devaluation, we have to pay higher prices for American goods. To appreciate the full significance of the adverse effects which this would have on our economy, it is necessary to consider the type of goods we import from America. The table below gives the more important commodities we imported from America in 1948, the 2nd and 3rd columns have been included to show our dependence on America for these particular goods.

Imports from America in 1948

Commodities	Value of imports from U.S. in Rs.	Value of total im- ports from all Count- ries	Value of U.S. imports as % of total imports
1. Cotton Piece Goods	33,543,283	113,413,515	30%
2. Tea & other Chests	6,997,577	11,770,245	60%
3. Machinery	6,324,202	23,297,638	27%
4. Preserved Milk & Milk Foods	5,434,432	16,613,492	33%
5. Drugs & Medical Prepara- tions	1,578,369	5,284,203	30%
6. Total	75,414,215	170,079,093	

An examination of the above table shows that we have to consider the effect of the rise in the rupee prices of American goods, firstly, on the capital development of the country; secondly on the cost of production in Ceylon and finally on our cost of living. With regard to the 1st of these, we see that 27% of our total imports of machinery are imported from America. A superficial analysis would lead us to expect that as a result of the rise in the prices of these goods, a good portion of these imports would now be replaced by imports from countries which have devalued their currencies to the same extent as Ceylon

and whose prices therefore to us would be lower than the American prices. For instance, if before devaluation, a machine is priced at \$4030 in America and a similar machine costs £1000 in Britain, we could buy either of these machines for Rs.13,333 (since before devaluation \$4030 = £1000 = Rs.13,333). If after devaluation the price of this machine in America and England remains the same i.e. (\$4030 and £1000 respectively), we would now have to pay Rs.19,183 for the American machines (since \$1 = Rs.4.76 and not Rs.3.30 as before devaluation), while we would still be paying Rs.13,333 for the British machine (because £1 still = Rs.13,333). The price discrepancy between British and American machinery after devaluation would however not be so great as the above example suggests. For we have assumed that before devaluation British prices for machinery were competitive with American prices i.e. in other words whether we bought the British or the American machine we would pay Rs.13,333. But this is not so, for British prices were very much higher than American prices. Suppose the British price of this machine was not £1000 but £1150 (Rs.15,333)- i.e., on the very moderate estimate that British prices were only 15% higher than American prices before devaluation, again we have assumed above that after devaluation the prices of this machine in England and America will be the same. But we saw above that devaluation will result in a lowering of American prices - suppose the price of this machine in America falls from \$4030 to \$3500 (i.e. 13% fall). Just as devaluation increased the price of our tea and rubber it will similarly increase prices of British exports-suppose the price of the machine rises from £1150 to £1208 (i.e. 5% rise). Then the prices of this machine after devaluation are-American machine \$3500(Rs16660)

British machine £1208 (Rs.16,106), and the discrepancy is only Rs.554. As against this small advantage in buying from Britain there is the bigger disadvantage that the delivery of British machinery is notoriously slow.

The above figures were purely hypothetical, but it is the percentages that are important and if there is any error in estimating these percentages, it is certainly in favour of Britain. A more rigorous estimate would even lead us to the ultimate result that even after devaluation the American machine was cheaper than the British. The importance of the above analysis is that the increase in the rupee prices we have to pay for American machinery will not lead to a transference of our demand for this machinery from America to Britain, as a superficial examination would lead us to expect but would lead to a reduction in our total imports of machinery. In other words, the effect of devaluation is not that we would not be buying from Britain the machinery we bought before from America, but that we would buy less machinery both from America and Britain. There is no need to elaborate on the retarding effect which this reduction in the import of machinery will have on the capital development of the country.

The effect of the rise in the rupee prices of American goods on costs of production in Ceylon will be again measured by the rise in the prices of its machinery used in our tea, rubber and other factories and also by the rise in the price of tea chests imported from America. In this context may also be considered the increase in the rupee prices of fertilizers imported not only from the U.S. but also from the other countries which have not devalued their currencies or done so by a

lesser amount than Ceylon (because the rupee prices of their products too would rise on the basis of the same analysis as in the case of America). Fertilizer imports from these countries amounted in 1948 to Rs.10,794,239, which is 40% of our total of fertilizer imports from all sources. The net effect of the rise in the prices of all these imports on our costs of production would be by no means small. Finally, the increase in the cost of living of the working and middle classes would be determined by the rise in the prices of the cotton goods, milk foods and medicinal drugs we import from America and also by the importance of these commodities in the consumption pattern of these classes.

We can now sum up the effect of devaluation on our economy in so far as it affects our trade with America. One of the main arguments of the protagonists of devaluation is that now we are getting higher prices for our rubber and other exports. On a superficial analysis one might be inclined to agree that this is one of the beneficial effects of devaluation. But we shall see later in the argument, Ceylon may have been better off with lower prices and non-devaluation rather than with the higher prices we receive after devaluation, because the adverse effects of devaluation are such as may wipe out any benefit that might accrue to our economy due to the higher prices of our exports. But even on the basis of the discussion so far we see that the beneficial effects of devaluation on the prices of our exports would be offset to some extent by their increased costs of production. The other argument which has been advanced for devaluation in so far as it affects our trade with America is that it will increase the dollar value of our exports and these extra dollars which we will now

contribute to the dollar pool would help to ease the dollar crisis for Britain and the other Sterling area countries. But, on the contrary, our analysis has shown the magnitude of the forces operating to reduce the dollar value of our exports. On the debit side of the balance sheet are the retardation and possibly the complete cessation of the capital development of the country, the increase in the costs of production and the rise in the cost of living.

What would be the effect of devaluation on our economy in so far as it affects our trade with those countries which have devalued to the same extent as Ceylon? This group consists mainly of the Sterling area countries with the exception of Canada and Pakistan. Superficially, it would appear that the position would be the same as before because our rupee exchanges with these currencies at the same rates as before. But this is to make the unwarranted assumption that the fundamental change which is taking place in the pattern of world trade as a result of devaluation will not affect the commercial relationship between the member countries of a group which plays a very important part in that trade. Devaluation would have two repercussions on trade within the Sterling area: (1) It would increase the internal prices of the goods of the Sterling area countries. (2) It would increase the demand of these countries for each other's goods because they would all be now curtailing their imports from the countries which have not devalued to a lesser extent than 30.5%

The combined effects of these two forces on Ceylon's trade with the Sterling area would determine whether devaluation will have any beneficial effects on Ceylon's economy. Regarding the fir-

st of these factors. We have seen that devaluation has increased the prices of our exports. There would be a similar increase in the prices of the exports of all the other countries which have devalued to the same extent as Ceylon. But their exports to the sterling area will increase but also the prices of our imports from the Sterling area will rise. Therefore, whether devaluation, in so far as it increases the prices of goods of the Sterling area, is beneficial to Ceylon depends on whether the increase in the prices of the goods we export to the Sterling area is more than the increase in the prices of the goods we import from the Sterling area. To assess the effects of devaluation therefore we must see what forces would be working to raise prices in the other Sterling area countries and whether these forces would be powerful enough to raise the prices of their exports by an amount greater than the rise in the prices of Ceylon's exports. If it could be shown that the rise in the prices of their goods (i.e. our imports) is greater than the rise in the prices of our goods, then devaluation is certainly detrimental to the exports of our economy. For there is no point in getting more for the rubber and tea we sell if we have to pay still more for the rice, flour, curry stuffs, textiles, and manufactures we buy. In analysing this problem we shall limit ourselves to England, Burma, India and Australia, from whom we import over 75% of our total imports from the Sterling area.

Let us first consider the rise in the price of manufactured articles we buy from England. There are two forces operating which will raise the price of British manufactures: (1) The increase in the demand for these goods, due to other countries restricting their purchases of American manu-

factures and diverting a part of that demand to British manufactures. (2) The increase in the price of raw materials used in British manufactures - rubber, copper, tin, zinc, aluminium etc, will also contribute to raise the price of these articles. What would be the increase in the price of Burmese rice? Here an important consideration is the recent decision of the I.E.F.C to suspend allocations of rice to consuming countries. The rationing of rice supplies to consuming countries was necessary to keep the price down, since demand was far in excess of supply. But once rationing is suspended the laws of supply and demand will come into operation and the price will shoot up. Certainly this is not an effect of devaluation but of the international de-rationing of rice, but the point is that since we have devalued we will have to pay more for our rice when Burma raises the price whereas if we had not devalued along with Burma, Burmese rice while it was rationed would have been 30.5% cheaper and even after it is derationed unless the Burmese price increases by 30.5%, the rupee price of rice would have been still lower. Devaluation too would have its effect in raising the price of Burmese rice because here again there would be a diversion of demand to Burma from Siam, which has devalued by a lesser extent than Burma.

Our chief imports from India are cotton goods, curry stuffs and dryfish, and from Australia flour, milk foods and meat. The increase in the price we have to pay for these commodities is largely determined by the fact that in all these cases our alternate sources of supply are countries which have not devalued their currencies. For instance if the price we have to pay for American cotton goods increases by 40% after devaluation,

then India could raise the price of her cotton goods by even as much as 35% and we would still have to buy from her because her price would be relatively cheaper. In the case of curry stuffs and dry fish the alternate source of supply is Pakistan which again has not devalued her currency. Australia too has a similar monopoly advantage with respect to her export of flour and milk goods because her competitors are America and Canada. And with regard to her meat exports her rival was Argentine which has adopted the Schactian policy of fixing different exchange rates for her various exports. Where she felt that her exports would meet competition she has lowered the exchange rate of her currency by as much as 47%, while in the case of those exports such as meat where she was safe from foreign competition, she has maintained the same exchange rates. In effect what this means is that Argentine has not devalued her currency so far as her meat exports are concerned.

We are now in a position to sum up the effects of devaluation on the prices of the goods we buy from England, Burma, India and Australia. These prices will rise due to the increase in demand for their goods, the increase in costs of production, and the monopoly advantage they have due to the fact that the alternative sources of supply of the goods we buy from them are chiefly countries which have not devalued their currencies. On the other hand there is only one force tending to drive our prices up - i.e. the increase in the demand for the products we export. And even this increase will be only in the demand of America and the countries which have not devalued, and not as we shall see presently in the demand of the countries in the Sterling area. Further even the increase in American demand for our rubber

and tea would be greatly limited by the political considerations discussed above. As for any monopoly advantage increasing our prices, there will be none for the alternative sources of supply of tea and rubber are India, Malaya and Indonesia, which have all devalued their currencies. So that on balance it is fairly obvious that the rise in the price of our imports from the Sterling area will be very much more than the rise in the prices of our exports to this group of countries. And the extent of the difference between the increase in the prices of our imports from and exports to the Sterling area is a measure of the adverse effects of devaluation on our economy in so far as it effects our trade with the Sterling bloc.

The 2nd effect of devaluation on trade within the Sterling area, would be an increase in the demand for each others goods because of decreased imports from the countries which have not devalued or devalued by less than 30.5%. But would this be true of Ceylon's exports to the rest of the Sterling area? For instance will the increased prices which Britain has to pay for imports from America and the other countries which have not devalued to the extent that she has, direct the British demand for tea and rubber to Ceylon? We have only to pose the question to realize its absurdity. For Britain will not transfer her purchases of tea and rubber from America and these other countries to Ceylon for the simple reason that before devaluation she was not buying her tea and rubber from these countries but from India, Malaya, Indonesia and Ceylon. And since these other countries have devalued by as much as Ceylon, there would be no transference of purchases from them to Ceylon. On the contrary there may be a decrease in Britain's total purchase of tea

and rubber due to the higher prices she has now to pay for these commodities and a part of this reduction would fall on Ceylon's exports of these commodities to Britain. In the case of the other Sterling area countries too a similar position would obtain. They will not increase their purchases of Ceylon rubber and tea because none of them were buying their rubber and tea from the countries which have not devalued; on the contrary they may actually reduce their consumption of Ceylon tea and rubber because of their higher prices. In the case of our coconut and coconut products, however, there will be an increase in demand due to the diverting of purchases from the Philippines which has not devalued. But there would be a counteracting influence in so far as the other sterling area countries reduce their total demand for coconut and its produce.

To sum up, the effects of devaluation on our economy in so far as it has affected our trade with the rest of the sterling area are the increase in the price of the goods we sell and, due to these higher prices, a decrease in exports to the Sterling area and our imports from it. The combined effect of this rise in the prices of imports and the reduction in their quantity will again impede economic development of the country, increase the cost of production and the cost of living. We could also now meet another of the arguments that has been advanced in favour of devaluation. It is that devaluation, by restricting imports, would act as a protective barrier and give a fillip to the industrialization of the country. This would have been true of a country which had already made some progress in the direction of industrialization. But in the case of Ceylon which has to start from scratch and

therefore import all the machinery necessary, the increased cost of this machinery would be so prohibitive as to stop any possible industrial development of the country. Moreover, the prospects of industrialization are indeed bleak so long as the Government subscribes to the contention that Ceylon was and shall always be an agricultural country and that the fair Isle of Ceylon should not be defaced by the smoke and the grime of industrial factories, and that the innocent and complacent village lad should not be corrupted, frustrated and made rebellious by being brought to town.

If this is the net effect of devaluation, why then did we devalue? So far we have analysed the problem only in positive terms - i.e. in terms of the effects of devaluation on our economy. To grasp the problem in its entirety we must now look at the negative aspect of it and examine what the position would have been had we not devalued. Could it not be said in favour of the Government's decision that devaluation was the lesser of two evils. One of the main arguments of the Government for devaluation, as was expressed by the Finance Minister, is that since over 70% of our trade is with the Sterling area it was necessary to keep in step with the other countries of that group. Let us again consider the case of imports and exports separately and see what the effect of non devaluation would have been on them. The effect on our imports would certainly have been beneficial because of the lower rupee prices we would have had to pay for these imports. If for instance American prices remained unchanged we would be paying the same rupee prices for our imports from America, because the rupee would now exchange for the same amount of dollars as before. But we have seen that after devaluation, American

prices will fall, and therefore the rupee prices of the goods we import from America would fall too. In concrete terms this means that we would be paying less for American machinery, cotton goods, milk foods and medicinal drugs. Again, if prices in the Sterling area remained unchanged, then these goods would be 30.5% cheaper to us, if we had not devalued. But here again their prices would not remain static but would rise; therefore the reduction in the rupee prices we have to pay for these goods would not be as much as 30.5%. But there would still be a substantial reduction in these prices. This would mean that our imports of machinery and manufactures from Britain, rice from Burma, textiles and curry stuffs from India and flour from Australia would be very much cheaper than before; therefore, while devaluation will retard capital development, increase costs of production and cost of living, non devaluation would give an impetus to the economic development of the country, would lower costs of production and substantially reduce the cost of living. The benefits of non-devaluation in this respect are so patent that we need not elaborate on them any further.

But what would be the effect of non-devaluation on our exports? This is the point which many an argument against devaluation has reached. But let us logically examine the effect of the non devaluation of the rupee on the price of our rubber. Before devaluation Britain was paying us 10d a lb. of rubber (10d = 55 cts. before devaluation). If Ceylon did not devalue with the rest of the sterling, then along with the U.S. dollar our rupee too would have appreciated by 44% in terms of the pound. If we still wanted 55 cts. for our rubber, this would have been equivalent to 14d and obviously the immediate

effect would be that Britain would stop her rubber purchases from Ceylon and buy Malayan rubber instead. To get back to the same competitive position as before with Malaya, we would have to offer Britain our rubber at the former price of 10d; and 10d at the new exchange rate which would obtain if we did not devalue i.e. £1. = Rs.9.33) would be equal to 38½ cts. Therefore to compete with Malaya we would have to reduce the prices of our rubber from 55 to 38½ cts. It was the scare of this price decline which drove the Government headlong into devaluing the rupee. But in such an analysis an important factor in the situation its overlooked i.e. that the price of Malayan & Indonesian rubber will not remain at their present levels and therefore the price which England will have to pay for their rubber after devaluation will be more than 10 cts. After devaluation the price of Ceylon rubber has risen by 24%, a similar increase taking place in the prices of these other rubber producing countries too. As a result of the 24% rise in price of rubber, Britain would now have to pay more than the 10d she paid for rubber before devaluation i.e. 12½d - Therefore to get back to the same competitive position with Malaya and Indonesia, we would now have to offer our rubber to Britain not at 10d but at 12½d. And this at the new rate of exchange which would prevail if we did not devalue is equal to 49 cts. in Ceylon currency. And so with a price decline of only 6 cts. instead of the anticipated 16½ cts. we would be on the same competitive level as before with Malaya and Indonesia. As against this adverse effect of a 6 cts. fall in price, rubber producers would on the other hand reap the benefits of lower production costs and lower costs of living. If we take a more optimistic estimate of the increase

in the price of rubber - for instance the former Minister of Commerce and Trade expects the price of rubber to settle down at 80 cts i.e., a 45% increase - then Britain would have to pay 45% more for her rubber i.e. 14.5d and so the equivalent of this in Ceylon currency at the new rate of exchange which would prevail if we did not devalue is 56 cts. Thus to compete with Malaya and Indonesia, we need not have reduced our price but could have actually increased it by 1 cent. A similar analysis holds with respect to our rubber exports to other countries and also with regard to our other exports.

A popular misconception of which even our Finance Minister must plead guilty, is that if we did not toe the line with Britain and devalue our rupee, the value of our sterling balances would have been reduced. It would simplify the exposition if we consider the validity of the above argument, first in terms of the dollar value of our sterling assets, secondly, the sterling value of these assets and finally their rupee value. Before devaluation £70 million lying to our credit in the United Kingdom was worth \$282 million. As a result of Britain's unilateral action in devaluing her currency (for the Indian Finance Minister stated in Parliament that the Commonwealth Finance Ministers had not been consulted on the matter), she has arbitrarily reduced the dollar value of our sterling balances from \$282 million to \$196 (i.e. by the 30.6% by which she devalued). But it is important to realize that the dollar value of our balances would have been reduced by this amount whether Ceylon devalued or not. For the £70 million to be worth 30.5% less dollars it was only necessary that the pound should have been lowered 30.5% in terms of the dollar. Whether the rupee was devalued or not

is immaterial. This would have been the case even if our sterling assets were in terms of rupees and not pounds. Before devaluation the value of our £70 million assets was Rs.933 million and this was equal to 282 million dollars. When Ceylon devalued with Britain, the value of these assets was still £70 million or Rs.933 million, but when devalued with respect to the dollar, the Rs.933 million is only equal to \$196 million. If Ceylon did not devalue with Britain then the rupee value of the £70 million would have fallen to Rs.653 million (i.e. 30% less). But if we did not devalue with Britain, then our currency would not have been devalued with respect to the U.S. dollar i.e., the rupee would still be worth the same amount of dollars. Hence the Rs.653 million would be equal to \$196 million. Therefore we see that whether the rupee was devalued or not the dollar value of our assets would have fallen to \$196 million. This decrease depended only upon Britain's devaluing and for this reason if not for any other, it was obligatory on Britain to have consulted us before she devalued her currency.

The other aspect of the argument is that the sterling value of our assets would have been reduced if we did not devalue. This however, is an absurd contention because whether Britain devalues or not or whether we devalue or not the sterling value of assets will be £70 million. We could buy £70 million worth of goods from England, we can still buy £70 million worth of goods and even if we did not devalue the £70 million lying to our credit in England would still be £70 million and we could therefore have bought £70 million worth of goods from her. It is true that after England devalued, her prices have risen and therefore the £70 million which lies to our credit in England is worth less in terms of British

goods i.e., we can now buy less goods with this £70 million than we could have bought before Britain devalued due to the rise in British prices. But the increase in British prices was consequent on her devaluing. Whether Ceylon devalued or not this increase in British prices would have taken place.

The final argument is that if we did not devalue, the rupee value of our sterling balances would have fallen. True, if the £70 million which was equal to Rs.933 million, would only be equal to Rs.653 mln if we did not devalue. But this is immaterial from our point of view because these sterling balances are used not to buy goods in Ceylon but to buy goods from England. And the Rs.653 million which the £70 million is now equal to would still buy us £70 million worth of goods from England, (because the Rs.653 million = £70 million). Therefore contrary to the popular view, non-devaluation of the rupee along with the £ would not have reduced the amount of goods we could have bought in England or America with our sterling balances. And it is for this purpose of buying goods from other countries and not buying goods in Ceylon that the sterling balance are used.

Finally to round up the analysis it is necessary to consider briefly the effect of devaluation on the various income groups in the community. The increase in the prices of our exports would benefit the producers of tea, rubber and coconut. This group consists of the richer section of the community. Coconut was the only one of these products which was popularly thought to be owned by the middle class man. But the recent report of the coconut commission, where it is stated that only 84% of our total coconut

acreage is in small holdings of under 20 acres dispels this notion. This would lead to increase in the income of this section. But the middle and the working classes will not benefit by these price increases. On the contrary, inspite of the increase in the price of rubber, the wages board for rubber has not been re-established so that whether the benefit of these increased prices will percolate through to the labourers on the rubber estates depends only on the social conscience of the employers. It is hardly fair to leave these workers to the mercy of such a nebulous thing. The rise in the prices of the goods we buy, will however be much more than the rise in the prices of our rubber, tea, and coconut exports. But the rise in incomes of the owners of the rubber, tea, and coconut estates will be offset by the rise in the cost of living. It is not possible to forecast whether the rise in their income would be sufficient to offset the increase in their costs of living and the cost of production. So that in spite of their increased incomes, it is doubtful whether on balance they would be better off than they were. But there is no doubt at all that the middle and the working classes would be worse off because their cost of living would rise without any compensating rise in their incomes. Not only the increase in the price of imports but also the decrease in their quantities would react adversely on these two classes. The price and the decrease in the quantity of imports would mean that more money is now chasing fewer goods and the rise in the prices of these goods will be very much more than is warranted by devaluation because the middleman in Ceylon would make capital out of the shortage of supplies and make increasingly wide margins of profit. This will start the in-

flationary spiral which is well known to have adverse effects, on the fixed income group i.e. again mainly the middle and working classes.

What would have been the position if we did not devalue? To paint the most adverse picture the prices of our exports may have been reduced by a small amount and the incomes of our producers may have been correspondingly lowered. But as against this their costs of production and the prices of the articles they bought would have been lower. Again it is difficult to say whether they would be better off or not. But here again there is no doubt whatever that the economic position of the middle and working classes would have been very much better. The enormous fall in their cost of living without a corresponding decrease in their incomes would certainly have made their economic and financial lot a very much better one than it is today. Moreover, the increased capital development of the country would have absorbed a good portion of men for whom no suitable work can be found today.

It is clear from the above analysis that the verdict, from whatever point of view the question is considered, is against devaluation. In spite of the famous injunction of classical economics that the task of the economist ends when he has analysed the issue and pointed out the alternatives, and that the further task of arriving at a decision is the function of the statesman, we cannot in the face of a social injustice of such magnitude, refrain from concluding that the devaluation of the rupee was not only totally unnecessary but also that it is injurious to the economic wellbeing of the major section of the people of the country.

In 1951, in response to a request from the Sri Lanka government for economic advice and assistance, the World Bank organised an expert mission, whose self-defined task was "to survey the development potential of the country and to provide advice on the development programme to be drawn up for the six-year period" from October 1953 to 1959.

The Mission's report was exhaustive. It proposed a development strategy heavily oriented towards economic growth through private investment, and recommended that, while preserving monetary and fiscal stability, state investment should be directed towards infrastructure development to promote private initiative: "Government policies should be such as to encourage investment of private capital, both Ceylonese and non-Ceylonese". The report also recommended that the agricultural sector receive heavy emphasis and investment. Industrial development was conceived of only in terms of small-scale industry. The existing structure of the economy, with its excessive dependence on the plantation sector was to continue.

The development strategy proposed by the Bank was adopted by the government and embodied

in its Six Year Programme of Investment formulated in 1955. The government's defeat at the polls in 1956 prevented its implementation.

This critique of the World Bank Report by G.V.S. de Silva appeared in the Ceylon Economist, Vol. 2 No. 3 of 1952. In this article he summarises and subjects to critical analysis not only the basic premises of the Mission's report but also its various sectoral recommendations. He also contrasts many of these recommendations with policies framed by Socialist economies in the process of central planning. G.V.S. de Silva sees, at this point of time, Socialist planning as the only possible path to self-reliant economic growth free from domination by international capital.

This critique is still valuable because the policies recommended then are similar, in their basic premises, to the package of policies that are now being implemented in Sri Lanka, as well as in a number of other developing countries, under the aegis of the World Bank and the International Monetary Fund.

THE WORLD BANK MISSION'S REPORT

By way of introduction, a very revealing news item appearing in the Ceylon Daily News of 19th September 1952, may be appropriately quoted:

"Britain has offered to assist the Egyptian land reform programme as, it is understood, British experts have acquired experience of land reform in somewhat similar conditions through assisting the land reform programme in Ceylon".

The present food crisis in Ceylon is undoubtedly the best testimony to the 'expert' land reform work done by these individuals, and later taken over by their understudies, the Ceylonese 'experts'. These same people, well covered by that magic word 'expert', which protects them from too searching scrutiny of their qualifications and capabilities, are now to be foisted upon the Egyptians, if they would be foolish enough to accept them.

The same news item continues: "The British Ambassador to Egypt, Sri Ralph Stevenson, is understood to have expressed general sympathy with the land reform programme".

Has British Imperialism which, through the permanent Zemindari settlement, was responsible for the creation of a new landlord class in India, become so enlightened in its period of senile decay as to express general sympathy with the Egyptian land reform programme? Lord William Bentinck, Governor General of India from 1825 to 1835, in an official speech during his term of office described with exemplary frankness and clarity the purpose of the Permanent Settlement carried out by Lord Cornwallis in 1793:

"If security was wanting against extensive popular tumult or revolution, I should say that the Permanent Settlement, though a failure in many other respects and in most important essentials, has this great advantage at least, of having created a vast body of rich landed proprietors deeply interested in the continuance of the British Dominion and having complete command over the mass of the people". (Lord William Bentinck, speech on November 8, 1829, reprinted in A.B. Keith, Speeches and Documents of Indian Policy, 1750-1921, Vol. I, p. 215).

Could Sir Ralph Stevenson have forgotten in a moment of rash indiscretion this basic policy of British Imperialism chalked out by his gubernatorial ancestors, Cornwallis and Bentinck, a century and a half ago? Or is it that both American and British Imperialism today realise the inevitability of radical, social and economic changes in South East Asia, the Middle East and other colonial countries and attempt through the gratuitous advice of their so-called experts to check and moderate the tempo of such change?

This is undoubtedly the role played by all the 'expert' missions, whether they come directly from the Imperialist countries or indirectly from such Imperialist agencies as the World Bank, Export Import Bank, I.M.F., E.C.A.F.E., I.L.O., E.C.O.S.O.C. etc.,

The World Bank sent such an 'expert' mission to Ceylon. It consisted of twelve 'experts' on the various problems of economic development and two secretaries, who too, no doubt, were 'experts' in their own line. They arrived in Ceylon on

October 6th 1951 and stayed a little over two months in the country, during which period they were entertained lavishly to a number of cocktail parties, drank in the scenic beauty of Ceylon and stood humbled before the ancient ruins. Then they proceeded to put together a number of administration reports by the heads of government departments, with a few criticisms thrown in, into a five hundred page report (in two parts) on "the economic development of Ceylon", with the pious hope "that the recommendations of the Report will help the Government of Ceylon in its great task of ensuring the further development of the country's economy and of improving the standard of living of its growing population". They might have also added, "and everyone would live happily ever after".

PLANTATION AGRICULTURE

"It would appear that the land hunger of the small cultivator has been somewhat aggravated by the absorption of agricultural lands into the large estates; but this is perhaps more fancied than real. By far the greater part of the tea land is at elevations beyond the reach of typical peasant crops. much of the rubber land is otherwise unsuited to rice. Hence no more than a part of the estate development can have been a real obstacle to extension of peasant farming". (part I, p. 9).

Having got that off their chests and feeling quite relieved that they have done their duty by the British planters in exonerating them from the

charge of having unscrupulously grabbed the land of the peasants, the Mission proceeds to tell us that out of Ceylon's total developed agricultural area of about 3.5 million acres, tea accounts for more than 560,000, rubber about 660,000 and coconuts around 1,000,000 acres.

But like all good things this too must come to the end and it seems that Ceylon has had about enough of tea, rubber and coconut. The Mission, therefore does not recommend the extension of the existing acreage under these crops, but only, the replanting of some of the existing acreage, increasing the yield and efficiency and the maintenance of research activities. In the case of tea, there appears to be a slight excess of supply over demand in the world markets. The Tea Propaganda Board must therefore intensify its activities in talking Ceylonese into drinking more tea. But all is not lost and the Mission consoles us with the 'comforting' thought that: "Export agriculture must certainly continue as the mainstay of Ceylon's economy". (part I, p.2).

PEASANT AGRICULTURE

The remaining 1.3 million acres are said to be under peasant crops. Most of these are foodstuffs for domestic consumption, but a few like cocoa, cinnamon, **citronella** and tobacco are cash crops. The Mission obviously has not stopped to think whether the landless and impoverished rural population of Ceylon could be called 'peasants', or whether 'pauperised petty bourgeoisie' may be the more appropriate characterisation. In any case, the latter term would have been outside their vocabulary.

The Mission's recommendations for this sector of agriculture is that existing crops should be further developed and possible new **crops** investigated. What words of wisdom! But at the same time they discourage the one useful attempt being made by the Government in this direction:

"In some quarters much reliance is placed upon cotton production in the development of the Dry Zone... The yields recorded under favourable conditions certainly give ground for hope of successful development. Nonetheless too much hope should not be built on these highly favourable but sporadic yields and expansion should proceed with some caution. A proposal to get 2,500 acres of chena cultivation under cotton in the current season may, for instance, be over-optimistic. Selection, agronomic and field husbandry trials (work on which has already begun at several Agricultural Department stations) should be accomplished over, say five years in chena, on various colonisation schemes and at Gal Oya, so as to gain more information over a wide range of conditions, about the details of the economic production of this valuable but uncertain crop". (Part II, p. 94).

Five years, may be, would give Lancashire sufficient time to adjust itself to the loss of the Ceylonese market for her textiles.

As regards paddy cultivation, there have been varied estimates of paddy acreage, yield and output. The mission's own estimate is that the tiny

paddy fields add up to a total of over 600,000 acres which, after allowance for double cropping, provide a total effective rice area of about 900,000 acres a year. This paddy acreage yields on an average 14 bushels per acre, giving a total annual output of 200,000 tons. The Director of Census and Statistics, in his estimation of the National Income of Ceylon for 1951, is more optimistic. He estimates the paddy acreage cultivated during 1951 at 1,056,540 acres - which yields 23 bushels per acre, adding up to a total output of 292,695 tons for the year.

Neither of these estimates has any claim to accuracy. They are based on inadequate and dubious village headmen's statistics on equally inadequate and doubtful sample crop cutting experiments. It is a sad commentary on the work of our 'planners' that we have reached the last year of the Government's so-called Six-Year Plan and yet we still do not accurately know the acreage, yield and output of our staple food commodity. But what we do know is that Ceylon imported 395,731 tons of rice in 1951. This draws forth from the mission the truism that:

"A greatly increased output from existing acreage is both urgently necessary and possible if improved methods are adopted". (Part I, p.16).

But the snag is that the 'illiterate, ignorant and conservative' Ceylonese peasantry do not know what is good for them:

"Much of the blame must be placed on poor cultivation practices, failure to transplant,

inadequate or improper fertilization and a prodigal use of water which is often wasteful and sometimes harmful. The Mission believes that proper practices in all their matters could double the reported yield of 14 bushels per acre from present rice lands". (Part I, p.16).

But there is a ray of hope. The Ceylonese peasant has not become so degenerate that he is beyond all redemption. It is true, as the Mission itself concedes, that:

"The pressure of population on the land - becoming steadily more acute in the Wet Zone in the absence of substantial agricultural opportunities elsewhere in the island - is reflected in the fractional scale of Ceylon's peasant farming. The land has been minutely sub-divided among successive generations of peasant families, until today typical holdings are far below an economically satisfactory size. The consequences are chronic under employment and poverty, heavy indebtedness, absentee ownership and insecurity of tenure and the presence of a large element of landless agricultural labourers among the peasant population". (Part I, p.9).

But what matters **is** that, he could still be beaten into shape through education and persuasion:

"The necessary changes in traditional methods will not, however, be brought about quickly or easily among the normally conservative peasantry. There is a tremendous task of education and persuasion here for the agricul-

tural extension officers, the co-operative and rural development societies, the village schools and all other agencies able to influence the small rice grower". (Part I, p.17).

Even this is not sufficient. Foreign experts too have to be mobilised in this grand crusade of educating the Ceylonese peasant:

"Although the education of the cultivators themselves in improved methods is primarily a task for the local leaders of the rural population, external technical aid could play a key part in the whole process, by providing staffs for the training of the expanded force of field workers". (Part I, p.17).

The education of the peasant would presumably proceed on the lines that his interests are identical with those of the absentee landowner and the ever-present money lender. Therefore, what does it matter, if out of his increased output the landowner appropriates a big share and the money-lender an equally large slice! The peasant must be **taught** the A.B.C. of patriotism and Internationalism; that the landlord, money-lender and himself are members of one happy family, which is a part of the wider and happier family of "the free nations of the world"!

Carlyle very picturesquely described the situation of the French peasantry on the eve of the Great Revolution in a famous passage:

"The widow is gathering nettles for her children's dinner: a perfumed seigneur, deli-

cately lounging in the Oeil de Boeuf, has an alchemy whereby he will extract from her the third nettle and name it Rent and Law".

In France, this situation exploded in the French Revolution. In Ceylon, it will increase average rice yields by 10 per cent.

"We believe the minimum target to be achieved by these and other measures by 1959 is a 10 per cent increase in average rice yields". (Part I, p.17).

IRRIGATION

"Of Ceylon's total area of about 16.25 million acres, 6.75 are considered suitable for agriculture in some form. Tea, rubber and coconuts occupy 2.25 million acres of this; rice and miscellaneous crops now use another 1.25 million. About 3.25 million acres await development". (Part I, p.15).

But lest we get too enthusiastic the Mission cautions us:

"The area of potential development is nearly as great as the total acreage now under cultivation. But it must not be inferred that bringing it all under crops will by any means double the current agricultural output. Most of the unused lands are in the Dry Zone. Their soils are poorer than in the Wet Zone. They need irrigation to develop their full output; and the Mission's preliminary calculations suggest that not

more than 600,000 additional acres can be irrigated. Therefore a large part must be developed through dry farming, with much lower yields per acre. As for any unused portions of the Wet Zone, these naturally tend to be marginal lands in point of fertility or accessibility. Very broadly, the combined crop potential of all unused agricultural land may be put at roughly half that of the island's lands now producing for domestic consumption. Such an addition to the country's output would be a major achievement... It will take at least another generation to do the job fully". (Part I, pp.17 and 18).

This is an amazing statement. How could any serious minded body of people, who had even the slightest inkling of the rapid tempo at which scientific technique is developing today, cast themselves in the role of prophets to lay down the limits to the development of Ceylon agriculture for the period of a whole generation? Or is it their tacit assumption that for the next 30 years, Ceylon is to remain within the Imperialist fold and thus be denied the benefits of those developing techniques?

The absurdity of the Mission's dogmatic assertions could be made even more obvious by a brief reference to the multi-purpose projects now under construction in the Soviet Union.

"The scheme is concerned with the Amu Darya river, which rises in the Pamir Plateau on the borders of Kashmir and flows through the Kara Kum desert region into the sea of

Aral, a distance of a thousand miles ..what is now a desert once cradled an ancient civilisation.. The scheme consists in building within 5 years a 700 miles long canal (the longest in the world) from the Sea of Aral to Krasnovodsk, the big port on the Caspian Sea. The Amu Darya river, which now flows uselessly into the Sea of Aral, will be completely diverted into this canal by means of a dam at the river mouth..By means of 800 miles of irrigation canals and 600 miles of pipe lines, this scheme will irrigate a now desert area of 31,000 square miles (greater than the entire area of Ceylon) and make it fit for cultivation. The diversion of the rivers will lower the water level on the Sea of Aral by about 20 feet. The fertile Amu Darya Delta, now covered by sea, will be reclaimed and 750,000 acres of the delta will be irrigated for rice and cotton cultivation..

"Similar gigantic multi-purpose schemes are now being constructed along the Volga, the Don and the Dneiper. They will irrigate the vast Ukranian and Crimean Steppes and the deserts of the Caspian area. In the Volga region alone, 30 million acres will be irrigated in 5 years.

"Under these multi-purpose schemes now under construction in the Soviet Union four times more land will, in 5 years, be irrigated than the U.S.A. has managed to irrigate within the last 100 years...

"The new irrigation works of the Soviet Union

aim at turning deserts into fertile fields. In the U.S.A., despite the advice of experts so freely imported and believed by the U.N.P. Government, an average of 8,000 acres per day are going out of cultivation due to soil erosion...

"Irrigation construction has been revolutionised by applying the new principle of hydro-mechanisation of earth-moving works in the digging of canals. Suction dredgers are used and the earth removed in the form of liquid mud through hose pipes to a distance of about one and a half miles. The suction dredgers now operating on the Volga scheme alone do the work of 50,000 workers". (Dr. S.A. Wickremasinghe - "The Gal Oya Project and the Crisis of Agriculture"- The Ceylon Economist, Vol. 1 No.4).

This incidentally raises the further question of where Ceylon is to look for experts, technicians and machinery.

Quite oblivious to all this, the Mission proceeds to limit the provision of irrigation facilities for the period 1953-59 to about 125,000 acres of new land, out of the 600,000 acres, which we saw was their estimate of the total irrigable new land in Ceylon. This is expected to cost Rs.187 million.

Of the 125,000 acres of new land to be provided with irrigation facilities, more than 50% (66,000 acres) would be so provided as a result of the completion of the Gal Oya scheme during this period. The proposed Walawe Ganga scheme, how-

ever, comes under heavy fire and the Mission suggests that it should be shelved:

"The Walawe Ganga project, however is far more dubious. Although it will not impair utilisation of water in other valleys, grave doubts arise about its intrinsic economic merits. A figure supplied by the Government puts the cost of headworks, power system and irrigation facilities at approximately Rs.117 million. Since this estimate is unsupported by details, it is not clear how it was obtained. The Mission's own estimate based on experience at Gal Oya and elsewhere comes closer to Rs.200 million. Until convincing estimates of costs are available, the Mission has serious reservations as to the economic merits of the project". (Part II, p.202).

Finally, the Mission politely warns the Government that **circuses** alone are not sufficient. When the people cry out for rice they cannot long be fooled by spectacular irrigation schemes which produce only profits for the contractors both local and foreign. The Mission, no doubt, is not averse to these enormous profits being made by their countrymen, but they are prudent enough to see that unless the masses are placated with a few sops, the very foundation-head of these profits, the U.N.P. Government, would be demolished by an angry people. The Mission, therefore, grown wise on their bitter experience of Chiang-Kai-Sheik's fate in China advises the Government to really grow a little paddy by "concentrating on numerous small schemes rather than big, impressive ones". (Part I, p.19).

There is a wealth of accumulated evidence of British experts about the underlying cause of soil erosion and the silting of the rivers and tanks in Ceylon. Dr. Wickremasinghe collects some of it together in his article referred to above.

In 1873, Thwaites, Director of the Royal Botanical Gardens, Peradeniya, made the following report to Government:

"It must have made itself painfully evident to many of the older residents of the Island that great changes have been brought about by the deforesting of land, particularly so in the Central districts. From the deforesting has resulted much washing away of valuable surface soil which cannot be replaced and which has found its way into the rivers-injuriously interfering with native cultivation".

In 1895, Lewis, Assistant Conservator of Forests, in advocating the opening of a railway line to the Kelani Valley, gave his reasons as follows:

"River transport which has hitherto been one of the chief lines of communication between the Kelani Valley and Colombo was fast becoming impossible owing to accumulation of silt in the Kelani Ganga; the increased area of the land in tea is distinctly the cause for the silting of the river".

In 1916, another expert, Howard, reported:

"In the hill tracts in the centre of Ceylon, which is now covered with tea gardens, the original forest canopy was removed.... The loss of soil has been enormous and is still going on... The agricultural capital of the Island has been allowed to run to waste and can never be replaced by any system of manuring".

In 1925, G.D.Hope, Chief Scientific Officer to the Indian Tea Association, stated:

"In certain districts complete denudation has been reached and during heavy rainy weather the rivers are running red all over the colony carrying away masses of the soil.. the hill sides will eventually not be able to grow anything at all".

In 1928, A.W. Hall, F.R.S., Director of the Royal Botanical Gardens, Kew, dramatically warned the Government:

"Your Island seems to be slowly washing away into the sea".

Despite these repeated warnings, it was not till 1930 that a Committee was set up to consider the problem of soil erosion. It is only very recently however that special legislation, the Soil Conservation Act, No.25 of 1951, has empowered the Government to do something practical about it. What it proposes to do is quite obvious from its policy as regards soil erosion and silting in

the Gal Oya scheme. Here, the first step should have been the reforestation of a large section of the tea estates in the upper reaches of the river and of the patnas as well. But the Government while refusing to do this, seeks to prevent soil erosion by stringent measures against the far less harmful system of chena cultivation. The consequences of this refusal to disturb the property rights of imperialist planters have been enormous. In order to bring 30,000 acres under paddy cultivation, an area of 20,000 acres is to be inundated. Over 4,000 people are to be evicted from this area by the autocratic decree of the Gal Oya Development Board to whom they are only primitive Veddahs. Thousands of the village population of Medagama Wasama, Nikeweti Korala, Nilgala Wasama and Dambugalla Korala have been prohibited from engaging in chena cultivation, their main source of livelihood. As far as these areas are concerned, the scheme for opening 30,000 new acres for cultivation in the lower reaches of the river has meant the effective stopping of all food production over an area of almost 200,000 acres.

In such a context there could be no doubt at all as to what the verdict of the Mission would be. They naturally endorse the policy of the Government of protecting the interests of the European planters at the expense of that of the Ceylonese villager. The evidence, part of which was quoted above, regarding the basic cause of soil erosion, is so conclusive that even the Mission is constrained to admit that:

"The early coffee planters, as well as tea and rubber planters both past and present

must be held responsible, together with Ceylonese peasantry who for many years have cultivated country of this kind". (Part II, p.149).

This dual responsibility does not satisfy the Mission. They must focus attention on a single culprit and naturally that culprit has to be the peasant. So, in discussing the problem of erosion in the Gal Oya catchment area, the Mission triumphantly points out:

"The major causes of disturbance appear to be the chena burnings and the severe fires that rush through the grassy portions of the vegetation, exposing the soil to erosion by storms". (Part II, p. 179).

As regards, flood control, the Mission gives it up as a bad job:

"Owing to the physical features of the land, Ceylon is visited by frequent floods which are difficult and expensive, if not downright impossible, to control". (Part II, p. 209).

The reason for this is:

"In both areas reservoir construction would swallow up very valuable land now under tea, rubber or other crops". (Part II, p. 209).

So, once again, Imperialist vested interests have to be protected at all costs and the Mission suggests:

"The best course would seem to be the unheroic

one of accepting the fact that floods will occur, abandoning any idea of preventing them by reservoir construction (which would sacrifice an annual value in agricultural production far greater than the average annual loss by flooding) and concentrating on mitigating the effects of floods in populated areas". (Part II, p. 210).

This callous disregard for the devastation caused by floods, in human terms, which is only too well known to the thousands of flood victims every year, is voiced by a group of people who at the slightest provocation would stand up and make a speech about the dignity of the individual personality and the spiritual needs of the Ceylonese people:

"This individual in Ceylon has, however, other objectives besides material advancement. Though he may think somewhat enviously of the higher material standards of the West, he does not want to attain these standards by sacrificing other values inherent in his own social traditions, customs and culture. We shall have many occasions to point out where material and cultural objectives clash. It does not follow that cherished cultural traditions and long standing social habits must always give way. On the contrary, it is essential that the way of life to be built up in Ceylon shall not be merely a better one materially, but one spiritually satisfying to the Ceylonese people". (Part I, p. 12).

Those are noble sentiments even though they reveal a gross ignorance of the unity of material stan-

dards and cultural values. But the Mission speaks with its tongue in its cheek; for when it comes to concrete action, the preservation of Imperialist plantations takes precedence over the protection of human beings from the ravages caused by floods.

After all this, there is not much point in examining in detail the Mission's comments on Forestry. They make a number of recommendations urging the need for forest surveys, forestry education and research but, as one would expect by now, there is not one word about the urgent necessity of reforesting some of the tea and rubber plantations.

As regards livestock, the Mission in all seriousness preface their comments with the following thesis:

"Development of animal husbandry on the island has been retarded, partly through religious considerations". (Part I, p. 18).

Would the Mission have, equally seriously, propounded the theory that the opposition of the Catholic Church to usury has had any appreciably retarding effect on the industrial development of the European countries?

Later in their report, however, the Mission gives us an inkling of the real cause why the development of animal husbandry on the island has been retarded. They say that among the more important types of natural grazing and browsing are:

"The hill and montane pastures of high rainfall, high humidity and lower temperature, where European cattle generally are more at home than at lower elevations". (Part II, p.125).

In another section of their report, where they discuss the natural regions of Ceylon, they describe the hill or montane country as follows:

"Portions of this region carry the well-known and valuable tea estates; others carry rubber, underplanted with cacao at the lower levels".
(Part II, p. 63).

It is not very difficult now to put two and two together and the result is the same story. Whatever aspect of Ceylon's agriculture we examine, whether it be soil erosion, the silting of rivers and reservoirs, the flooding of rivers, the poverty of our peasantry or the absence of animal husbandry, we cannot but reach the inescapable conclusion that the basic, underlying cause of the crisis of our agriculture was the wholesale and indiscriminate destruction of our forests and the depopulation of our villages, in order to make room for the equally indiscriminate and unscientific opening up of tea and rubber plantations by the British.

The Crown Lands (Encroachments) Ordinance, No. 12 of 1840 and the Wastelands Ordinance No.1 of 1897, were the two infamous legal instruments with which the "land-hunger" of the British planters was satisfied. The former stated that "all forests, waste, unoccupied or uncultivated land, was presumed to be the property of the Crown until the contrary is proved". The latter legislated that "whenever it so appeared to the Government Agent of the District that any land or lands situated within his Province or District is or are forest, chena, waste or unoccupied, he was empowered by issue of a notice to compel any claimant to appear before him and prove his title in default

of which the land would be declared the property of the Crown".

The consequences of this iniquitous legislation were:

"It is needless to say that there were no titles and therefore no proof... The Government sold over half a million acres in Wet Zone to Civil Servants at prices ranging from one shilling to five shillings an acre. Even the Governor at the time could not resist the temptation. A register of land sales kept at Kandy Kachcheri says that, 1120 acres were sold at 1 shilling an acre to Governor Sir Edward Barnes. Mr. A.M. Saunders says that in the land he bought there was a prosperous village and that he was given a police force to eject the people". (J.B. Kelegama-
The Kandyan Peasantry **Problem**)

Any plan for Ceylon agriculture must obviously start by attempting to undo the untold damage done by a century of naked and unashamed land grabbing by the British planters. But naturally, an American and British inspired Mission could not find any place in their Report for a proposal which would disturb Imperialist property rights in this country.

COLONISATION

During the period 1953-59, the Mission estimates that about 250,000 people would be resettled if the irrigation works proposed by them are carried out. This would include the non-agricultural

population of the new villages and towns which will be created. About **two-third** of this number will be in Gal Oya. The estimated cost of these colonisation schemes is Rs.200 million.

The Mission further **mildly** suggests to the Government that the sole, or even main, purpose of opening up the Dry Zone, should not be to find an outlet for the surplus agricultural population in the Wet Zone. A major consideration ought to be the increase in food production and the small holding of the colonist is not the ideal economic farming unit for this purpose. What the Mission has in mind, however, are not State farms, but large private estates:

"Secondly, we believe it would help to speed economic development if part of the new land were leased in larger blocks to financially responsible individuals or to corporations, instead of being wholly reserved for allotment to small holders in uniform plots". (Part I, p. 21).

INDUSTRY

The Mission, like many other 'experts' before them, pays lip service to the need for industrial development. But this is too vital a question of Imperialist policy to toy around with; the Ceylonese might get ideas and take a really big bite off this forbidden fruit. Then what would happen to that large surplus of manufactured goods, in America, Britain and the Western European countries, which cannot be sold at home and have to be dumped in the Ceylonese and other colonial

markets in order to keep the wheels of capitalist industry turning? No, that would never do. So, the Mission writes accordingly:

"Diversified industrial growth, while not as urgent as increased agricultural production, is essential to Ceylon's ultimate development. It is true that for some time to come both the additional population and the major investment of capital can most profitably be applied to the development of new lands and the improvement of cultivation; but before many years, as the empty lands fill up, Ceylon will need to seek other means of using new additions to population and available capital and especially uses in the manufacturing field". (Part I, p. 25).

One can almost see the Mission patting each other on the back at having found such a satisfactory formula. "In principle we accept the need for industrialisation. But after all, is not yours primarily an agricultural country? Why don't you first develop those new lands of yours? Then, it will be time for you to think of higher things such as industrialisation. Incidentally, that would give us sufficient time to exploit you still more and squeeze out the last cent of profits from you, so that you may then not even possess the resources which you have now for industrialisation".

To let in some fresh air, let us now quote from another source, a more objective one and no less expert for that:

"The industrial revolution in the European

countries and in North America pave the way for the international division of labour. The basis of agrarian and raw material production for sustenance and employment narrowed down in the industrial countries. This scheme for international specialisation which has been set up is now being threatened by the industrialisation of the 'backward areas'. For this reason, is this new industrialisation an artificial product of intervention against the current of natural tendencies?...

"Industrialism in the world economy had given rise to a process of growth which accomplished only its first phase in producing that division of labour between industrial and agrarian countries...This primitive division of labour can be regarded as rational only in a unique transitional situation and only from the point of view of the old industrial countries....

"Moreover, it is often the case that the economic structure which would best accord with a country's own economic development is not necessarily the best one from the point of view of cost advantages in the world market...Take the example of Australia: specialisation in the production of wool in the areas beyond the mountains may still be the greatest source of wealth for the country as a whole but this is of little profit to the masses of men crowded in the cities along the shore-line, since it gives them no more employment and no larger share in the total wealth...

"In classifying countries as areas of industrial or agrarian production it is necessary to beware of the 'fallacy of misplaced concreteness'. Strictly speaking, it is not the countries themselves that can be so classified, but certain geographical sections or even only certain groups of producers. It is precisely when young countries develop their own tendencies that loose generalisation, which considers only the economic sector that is most important for exports, may distort the picture of possible specialisation". (*Industrialization of young countries and the change in the International Division of Labour*-by Ernest Peltzer-in *Social Research*, September 1940).

The Mission is, however, not quite certain whether this type of nonsensical talk of theirs would satisfy the more educated sections of the Ceylonese public, who have realized that rapid industrialisation must be an integral part of any economic plan for the country. So they switch over to another line of attack, presumably on the theory that the bigger the lie, the greater the chance of it being believed:

"The popular belief that Ceylon is virtually without industry probably stems from familiar association of its existing major industries with agricultural production. As everywhere, it is the novel that attracts attention. Thus the prospect of a comparatively small new sugar mill or a factory to make paper from illuk grass-either one equally dependent upon an agricultural crop-is heralded as a notable industrial advance. Meanwhile

there is a tendency to overlook even such large products as the island's 950 tea factories, to say nothing of a multitude of rubber mills and the large and small factories producing coconut oil and other products. When we consider these, the hundreds of thousands of workers they employ and the 155,000,000 k.w.h. of power they consume, it is probable that Ceylon is proportionately far more industrialised than many another 'under-developed' country today". (Part II, p. 251).

In fact, it is the other way about; Ceylon is over-industrialised and the Mission suggests in another part of their Report that we should close down some of the 950 tea factories:

"For the processing of about 300 million lbs of 'made tea' there are not less than 950 factories operating in Ceylon....The ratio to output is high by comparison with some other areas. In Indonesia, before the war, for example, about 300 factories processed an aggregate of 160 million lbs. of tea. Thus, concentration toward optimum size units may become a competitive necessity". (Part II, p. 68).

So that is it. Without our knowledge the Industrial Revolution has taken place in Ceylon and it needed the expert eyes of the Mission to spot it. The Mission, quite correctly, takes the power consumed as one of the criteria of the level of industrial development of a country. Let us compare the amount consumed in Ceylon with the consumption in some other countries. Unfortunately

the United Nations' Monthly Bulletin of Statistics, from which the following figures are extracted, does not give separate statistics of the power consumed for industrial and domestic purpose. It gives only the total consumption, both industrial and domestic, for each country. The **compara-**ble figure for Ceylon, therefore, is not 156,000,000 k.w.h. but 256,000,000 k.w.h. which includes a 100,000,000 k.w.h. of domestic consumption.

We shall not take upon ourselves the responsibility-which the Mission conveniently avoids-of defining what an 'under-developed' country is. If we did we may be inclined to adopt some measure which would relate the output of a country to its potential productive capacity and then it would emerge that the U.S.A. is the most 'under-developed' country in the world today. In the table below, we, therefore, confine ourselves to comparing the consumption of power in Ceylon, with the consumption not in 'under-developed' countries, but in countries whose population is about equal to or less than that of Ceylon.

NATIONAL LIBRARY SECTION,
MUNICIPAL LIBRARY SERVICES,
JAFFNA,

TABLE I.

Country	Population (millions)	K.W.H. (millions)	K.W.H. (millions)	Index of per capita consumption, with Ceylon
Ceylon	7.7	256	33	100
Algeria	8.8	665	76	228
Trinidad	0.6	55	92	276
Panama	0.8	88	110	330
Portugal	8.7	1,035	119	357
Malaya	6.4	790	123	369
Venezuela	5.0	618	124	372
Cuba	5.3	822	155	465
Chile	6.0	1,681	280	840
Puerto Rico	2.2	653	297	891
Ireland	3.0	1,009	336	1008
Netherlands	10.3	5,798	563	1689
Austria	6.9	5,654	820	2460
Union of S.Africa	12.6	11,664	926	2778
Belgium	8.6	9,499	1,105	3315
Finland	4.0	4,423	1,106	3318
Australia	8.2	10,858	1,324	3972
New Zealand	1.9	2,892	1,522	4566
Luxembourg	0.3	810	2,700	8100
Sweden	7.1	19,543	2,753	8259
Canada	14.0	57,398	4,100	12,300
Denmark	4.3	21,375	4,971	14,913
Norway	3.3	17,317	5,248	15,744

On this basis of comparison, Ceylon is not even half as industrially developed as Algeria or Trinidad, not 1/3rd as developed as Panama, Portugal, Malaya or Venezuela, not 1/4th as developed as Cuba, 1/8th as Chile or Puerto Rico and right at the top of the scale, not even as 1/157th as industrially developed as Norway whose population is less than half that of Ceylon. And yet the Mission has the brass to say that "Ceylon is proportionately far more industrialised than many another 'under-developed' country today".

The Mission devotes a very interesting section of their Report to a discussion of "Some Present and Potential Industries". Among the existing industries the Mission gives pride of place to a machine manufacturing industry. Ceylon seems to be so highly industrialised that she even produces capital machinery. Nay, more, she exports capital machinery. At least, so the Mission makes us understand.

"Closely related to the industrial processing of the three main income producers of the island is a substantial and long established machinery manufacturing business, supplying much of the equipment for the local tea and rubber industries and lately beginning to export as well". (Part II, p. 251).

This sounds very impressive, but let us read on:

"At least five major private engineering firms operate excellent shops on the island. Among other things, these manufacture annually about Rs.6 million worth of capital machinery for tea and rubber industries. Ceylon is

said to produce 30% of the world's supply of certain types of the machinery and 50% of that used locally. Some machinery is exported to India, Africa and Australia". (Part II, p. 287).

Whether it was a vivid imagination or a puerile attempt at deception that was responsible for the Mission's characterising the manufacture of only Rs.6 million worth of primitive instruments of productions as a capital goods industry, one does not know. How primitive and how obsolete this type of instrument must be is apparent from the fact that Ceylon's output constitutes 30% of the world's supply. In other words, it is so out of date that total world production of it is valued only at a paltry Rs.20 million.

There are only two other important industries in the Island today, according to the Mission. One is the plywood factory supplying about 10% of the island's tea chests. The other is the cement factory providing about one-third of the local requirements of that material.

The Mission makes some caustic remarks about the organisation and operation of these and the other Government Factories. We shall only quote their remarks on the Government Glass Factory:

"Existence of the Government Glass Factory in its present form and location is difficult to explain...Its financial losses have been great, averaging annually more than twice the invested capital. Plant layout is fundamentally bad from the first. Blowers walk as far as 40 feet from the pot to the mould

for each article blown. Annealing is done by wood fires, unevenly and by guess-work. Finished ware is carried in boxes, over a tortuous circuit of several hundred feet, to a separate building for sorting; rejects are carried all the way back and the rejects amount to 60 to 70 per cent of the total blown. Cut-off and fire polishing are done in still another building. To do these things the plant employs 315 men - several times as many as should be needed for a hand blown production of this size. Plant capacity has been rated at 850 tons per year, now reduced to 400 tons since one furnace has been torn down; but with shut downs and various organisational troubles the 1950-51 output was only 98 tons. The highest ever reached was 216 tons in 1946-47 and the eight year average is only 126 tons". (Part II, p. 284).

With regard to potential industries, the Mission allocates only Rs.75 million for the six-year period 1953-59. This is less than 5% of the proposed total investment of Rs.1,600 million for this period. But even this does not assure them that they have effectively sabotaged the industrial development of Ceylon for the next six years. So, they proceed to pick out a few vital industries, which if started in earnest would have provided, however inadequately, some sort of an industrial base for the economy of the country and soundly condemn them as uneconomic. First, in their line of fire is the Iron and Steel industry, which obviously must provide the base for any industrial development of Ceylon:

"Thus, for instance, there is no advantage to Ceylon in depleting her own future iron ore reserves merely because she has them; they will keep very well underground until later. To meet her present small requirements of steel, the Island can ill afford the extra drain on her capital, power and other resources which a local steel mill would cause at this time". (Part II, p. 266).

Contrast this, for instance, with the Hungarian Three Year Plan, (1947-50), in which a serious attempt was made to industrialise the economy. The Introduction to the Plan states:

"In the field of industry, the target is to enlarge our power resources (coal and electric current) as well as to achieve the extension of the iron, metal and machine industries, a highly developed machine industry being essential not only to further industrial advancement, but also to rationalise agricultural production. Concerning other branches of **national** economy, the Plan envisages principally the development of the chemical, textile, building material, wood, leather, paper and printing industries as well as that of the artisan industries".

The Mission next turn their fire on the chemical, fertiliser and textile industries as being equally uneconomic:

"Several proposals have been made for the manufacture of sulphuric acid. The soundness of any of them is debatable. The island has known no commercial deposits of sulphur,

pyrites or other standard sulphur sources; nor are these things easy to obtain. One current scheme is to make the acid from gypsum; it has even been proposed that this be obtained from the local salterns. It should be pointed out that the amount available from salterns is only trivial, that the supply would probably have to be imported from India or Egypt and that to make sulphuric acid from gypsum under any circumstances is a costly and uneconomic process to be resorted to only in emergencies. (Part I, p. 274).

"Fertiliser consumption, even if it doubles or trebles within the next few years, will remain comparatively small. Ordinarily the supplies are ample. If there are occasional difficulties in obtaining it from abroad, it is only because of shortages of the very raw materials which Ceylon would have to import for her own factory. Thus there seems to be little justification for Ceylon to make such a large factory investment for fertiliser within the next 10 or 15 years. It is recommended that the project be postponed and the funds diverted to more urgent needs". (Part II, p. 282).

"Textile specialists hold the view that increased Ceylonese textile manufacturing can be sound economically if the island can grow more of its own cotton. Otherwise, it is feared, the projects will not be competitive with foreign sources. Since the present Wellawatte mill is already prepared to absorb much more local fibre, we believe

that emphasis upon new mill construction is disproportionate at this time". (Part II, p. 302).

Is it not a strange coincidence that the Mission has discouraged the opening up of precisely those industries, iron and steel, chemicals and fertilizers, textiles, which the introduction to the Hungarian Three Year Plan quoted above specifically mentioned as constituting the basis of industrial advance?

Having brushed these inconvenient industries out of the way, the Mission graciously informs us that we should go ahead with the manufacture of chutney, bottle caps, buttons, chocolate, soft drinks, cigarettes, cigars and such like. Certainly, a most wonderful assortment of 'industrial' products!

Discussing the minerals of Ceylon, the Mission shows a keen interest in thorianite:

"Although a few tons of thorianite were exported before 1910, interest later ceased. Subsequent investigations have shown the mineral to be widely distributed on the island than at first believed. Because of increased demands for radio-active materials, we believe that it will now be worthwhile for mineralogists of the Government of Ceylon to open discussions of this subject with the United States Atomic Energy Commission". (Part II, p. 291).

We had no doubt at all that the United States is interested in our thorianite. What the Mission

forgets is that the people of Ceylon may prefer to use this vital mineral for constructive purposes and not for the manufacture of atom bombs.

As a parting shot, the Mission suggests the scrapping of the Industrial Products Act:

"On the other hand, the Industrial Products Act, compelling purchase of local manufactures, is harmful to sound development and should be repealed. (Part I, p. 27).

When one country after another, the United States being among the first, has discarded the 19th century belief in laissez faire and Free Trade and industrialised behind high tariff walls, quotas and restrictions, the Mission quite seriously asks Ceylon to keep the Free Trade flag flying, for old times' sake.

POWER

"The potential hydro electric development of the island has not hitherto been investigated with any accuracy. No inventory of the potential water power that can be harnessed has been made and all the figures given in this field are mere guesses without firm basis. In the reports of the U.N. Economic Commission for Asia and the Far East Ceylon is given a potential water power of about 1,000,000 k.w. In other reports about 500,000 k.w. are suggested". (Part II, p. 228).

Of this potential only 25,000 k.w. have been tapped as yet. This, together with another 28,000 k.w. of installed thermal power, only a part of which

is utilised, generate about 100,000,000 k.w.h. for public consumption. Another 156,000,000 k.w.h. are generated by private plants for their own consumption and by the Kankesanturai Power Station for cement production. The total installed thermal capacity of these is about another 90,000 k.w... Thus, for the whole island, the total installed electric capacity is about 143,000 k.w which generates annually about 256,000,000 k.w.h. of power.

The Mission recommends that over the six year period 1953-59, another 50,000 k.w. should be installed, generating annually 200,000,000 k.w.h. Thus, out of a total potential capacity which in the absence of an adequate survey, has been estimated at 500,000-1,000,000 k.w., the Mission proposes that over the next six years only a paltry 50,000 k.w. should be harnessed. The extra 200,000,000 k.w.h. generated, we are told, would be just sufficient to meet the normal increase in demand:

"At least within the period up to 1959, the increase in output is likely to be absorbed by natural increases in demand, by extension of supplies to new areas (including a substantial switching of rubber and tea factories to the public supply system) and by service to new industries of types making only modest demands for electric power. Thus within that period the Mission sees no reasonable prospect of really large amounts of hydro electric power for such heavy users as electric furnace, steel making or railway electrification and as it does not appear economic to supply the power requirements of such

developments by construction of new thermal plants, we have not provided for them in our general development programme in that period". (Part I, p. 25).

Power is the life - blood of industry and the Mission's intention of sabotaging the industrial development of the country becomes even more apparent now. Contrast this 'expert' advice with the type of economic development now taking place in Bulgaria, for instance. The comparison is all the more revealing because of the similarity of the two economies as regards their agrarian character, population and available power resources:

"With 80 per cent of its population in agriculture, Bulgaria was the most backward of all the agrarian countries... Both industry and agriculture depended for their development almost entirely on hydro-electricity to provide power and irrigation water for the intensive crops. Except for the small coal mines at Pernik (now renamed Dimitrovo) the country has very little in the way of mineral resources. The two plans, Two Year (1947-49) and Five Year (1949-54), are therefore in essential schemes for rapid electrification. Pre-war production amounted to 202 million k.w.h. and by mid 1949 had doubled: by the end of 1953, it is to increase to nine times the pre war level, to 1,800 million k.w.h... By means of the increased production of electrical power, it has been possible to increase industrial production very quickly: by the end of the Two Year Plan in 1948, it had increased by 71 per cent over pre

war. But this success was due, in part to industrial expansion and electrification during the war. In the Five Year Plan, the aim is an increase by 120 per cent over the 1948 level". (*Doreen Warriner - Revolution in Eastern Europe, pp. 100-104*).

TRANSPORTATION

"Thus, there is no question of major and dramatic transport developments. Nevertheless, a great many improvements are needed, some of them more of the character of long deferred maintenance and much remains to be done in extending the local rail and road network into more of the Dry Zone lands which are being opened up. Almost every current development project brings new transport problems. Every agricultural settlement scheme needs at least new minor roads and every factory puts heavier-sometimes even specialised - demands on roads, railways and ports. As more things are produced they must be moved to market. Better transport is thus an underlying need of agriculture, industry and indeed of all development. Hence the total amount which has to be spent on communications of all kinds is large. In the development programme recommended by the Mission for the next six years it amounts to Rs.430,000,000, or over 25% of the total capital expenditure proposed". (Part I, pp. 28-29).

Some of the high-lights of the Mission's comments and recommendations are:

"Trincomalee, on the north-east Coast, is a first class natural harbour. Its larger area of deep water is almost entirely land locked, yet open to shipping at all seasons. Today its surroundings country is undeveloped, but as settlement of the area proceeds, Trincomalee will be the obvious channel for much of the resultant trade. Accordingly, it is not too soon to plan the installation of commercial shipping facilities there. As a British naval base, the harbour is now controlled by the United Kingdom Admiralty under agreement with Ceylon and it is understood that the Admiralty would be co-operative". (Part I, p. 29).

Indeed! How very kind of the Admiralty to permit us to develop our harbour.

Imperialism does not willingly relinquish its monopolies, one of which is the carrying trade of the world. Apart from the question of the enormous profits which the foreign shipping lines are making in the business of carrying Ceylon's imports and exports to and fro, there is the further question of the destinational control of Ceylon's exports and the control of the source of her imports, which that total dependence on foreign ships ensures. If the Ceylonese had their own ships they may even start trading in a big way with those 'undesirable' countries like the Soviet Union, China, Czechoslovakia, Hungary, etc. No, this has to be stopped at all cost. The Mission accordingly makes the 'expert' recommendation:

"A local proposal has been made to establish a Ceylonese international shipping line. But Ceylon today has hardly any personnel with experience in either the operation or management of ships; there are not even any domestic coastal services between Colombo and the outports. Nor has the Mission seen any evidence that operation of a **nominally** national service, through any form of agreement with foreign shipping interests, would be profitable to the Government or beneficial to the country's economy. We therefore recommend no allocation of funds for such a development". (Part I, p. 30).

The Mission seems to be ignorant of the modern conception of graduated taxation as being an instrument to bring about a better income distribution. On the question of railway finances, the Mission writes:

"There are circumstances in which financial support to railway operation from general tax funds is **justifiable**. This is true if the continued maintenance of the railway is essential for strategic reasons or for the basic economic development of the country and if the users of the railway, whether passengers or shippers of goods, cannot bear additional charges or will switch to other means of transport if rates are raised. But subsidization is not justified if it merely provides transportation below cost and benefits railway users at the expense of the general public. We strongly suspect that it is this which is happening in Ceylon today". (Part II, pp. 336-337).

And who are these railway users who should not be subsidised at the expense of the (what a convenient term) general public? The Mission is aware of the answer to this question :

"This class (i.e. the third class) provides 97 per cent of the passenger traffic". (Part II, p. 337).

So railway fares must be increased. But not all fares. The Mission compares the fare structure of 1938-39 with that of 1949-50.

TABLE II - (PART II, p.337)

PERCENTAGE INCREASE IN 1949-50 OVER 1938-39

	Low Country	High Country
1st Class	57	52
2nd Class	50	43
3rd Class	29	71

Yes, that is it. That 71 there looks a little out of place, but it does not matter. But that 29 completely distorts the beauty of the table:

"The Mission is satisfied that the situation requires an increase of third class low country fares....We suggest increasing third-class passenger fares by 16.6 per cent". (Part II, p. 338).

This would change the 29 into 52 and the harmony of the table restored. Such arrant nonsense is expected to pass for sound economics.

Although their main object was the safeguarding

of Imperialist interests in Ceylon, the Mission has not forgotten, in passing, to throw a few crumbs to the bus magnates, the local watch dogs over those interests. They oppose the nationalisation of the bus services and sanction an increase in fares:

"We do not suggest any changes in the basic regulations of the 1951 Motor Traffic Act. Continued operation of road passenger services by controlled private concerns is seen as the most satisfactory procedure. These companies provide a very extensive network of services, although many of the buses leave much to be desired in standards of comfort and reliability. We believe that a limited fare increase would encourage some improvement in bus services". (Part I, p. 31).

POPULATION

No report on the economic conditions of 'under-developed' countries appears to be complete without a warning to those prolific breeders, who strangely enough seem to inhabit only these countries, that unless they learn to limit their rate of growth to something more like the proportions of the sensible European peoples, they are in for a lean time ahead.

"Ceylon has not hitherto had to face the problems of general over population, despite the very great pressure of population in some areas. But if the present rate of increase is not checked it will be only a few years before the population problem

will be felt very keenly and very obviously". (Part II, p. 386).

The 'teeming millions' of Asia and Africa and the 'yellow hordes' of China and Japan have for a long time been a source of anxiety to the white minority which dominates over a good part of the world and attempts to subjugate the whole of it. They are afraid that these peoples would, before long, turn their covetous eyes on the relatively under-developed and under-populated American and Australian continents, the white-man's preserves. Japan's demand for 'living space', before the war, was successfully channelled by the imperialist powers in the direction of China. But the next time they may not be as successful and the target may prove to be Australia. The Mission too is quite alive to this 'danger'. In discussing the rapid increase in the European population after the industrial revolution, they say:

"Moreover those were days of expansion and colonisation when many new countries were opened up and tremendous resources became available from the new world. No such windfall is likely to benefit Ceylon or other countries in the East or West today". (Part II, p. 387).

And, why not?

But, before Ceylonese could help to develop the vast untapped resources in the rest of the world, their undeveloped resources at home are insistently clamouring for their attention. To this too, the Mission have a ready answer; it is the theory of the parson Malthus, who was rewarded for it

with a professorship at the East India Company's College, that population is increasing faster than food production. The experience of the nineteenth-century smashed this theory, when the expansion of wealth so glaringly exceeded the growth of population and revealed the causes of poverty to lie in the social system. This, however, does not prevent the Mission from resurrecting it again to suit their convenience:

"The economic developments which are in sight can take care of the natural increase of population for only a very few years, after which continuation of that increase can only be at the expense of the health and the standard of living of the people. Unless serious attention is paid at once to the population problem the next generation will be living under worse, not better sanitary conditions and will be worse, not better fed than the present". (Part II, p. 386).

To such trash we can only reply with the Soviet economist:

"Only man haters, only obscurantists can say that the earth is incapable of feeding its population, that sterilisation and birth restriction are necessary. All that is needed is to develop it in the interests of all the working people, to exploit its resources rationally instead of rapaciously".

The next essay, published as a pamphlet in 1973, is reproduced here in full as it has long been out of print.

G.V.S. de Silva had been Private Secretary to Philip Gunawardena, the Minister of Agriculture in the 1956 MEP government and had been largely responsible for the Agricultural Plan published by that Ministry in 1957. He had also been the main force behind the Paddy Lands Act of 1958 which had sought to secure the rights of sharecropping and tenant farmers. He had since then concerned himself with the problems of peasant agriculture and of rural development. This pamphlet is the result of such concerns, locating the problems of rural undevelopment in the context of overall economic development and drawing upon the experiences derived from his participation in many state planning activities since 1956.

G.V.S. de Silva argues here for a fundamental shift in the processes of economic planning - the total subordination of the urban, so-called modern economy to the rural through the diversion of all resources, financial and technological, from the urban to rural areas. He bases his proposal on two theoretical premises: (i) the underdevelopment of the economy was a result of the lack of growth in rural productive forces and this in turn was the result of existing relations of production which enable the urban sector to exploit the rural economy through unequal

terms of trade: (ii) any effort at economic development that was urban-centred and dependent on foreign technology, capital and markets would not only thrust the country into a situation of greater dependency but would also result in ultimate failure, given the conditions of the world economy.

Instead of such a pattern of development, G.V.S. de Silva argues for the development of rural productive forces on the basis that the reorganisation of village communities on a collective basis and the infusion of available capital and technology would release the pent-up creative energies of the rural population.

This pamphlet provides the essential background for an understanding of G.V.S. de Silva's later writings and activities in the field of rural development. It is interesting to note, at this stage, that he wants the state and its planning authorities to take the lead in revitalising and reorganising village communities; the structures at the village level are meant to be fully democratic but guidance and resources would flow from the central state, which is still regarded as a neutral mechanism that could be used to effect this transformation.

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-

ted 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 improvization 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

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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.

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The next article appeared in the Ceylon Daily News in December, 1974.

World inflation had begun to have its impact on the domestic economy of Sri Lanka. Some economists, within and without the government, were beginning to argue that domestic prices should rise in step with increasing costs; this argument was being advanced particularly with regard to the goods and services supplied by the state and state-owned agencies. This argument is still with us today - being advanced by the World Bank and the IMF; it simply implies that domestic resource allocation must be governed by world prices, whatever be the social costs of such a policy.

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WORLD INFLATION AND OUR ECONOMY

The Government, it is reported, is contemplating the setting up of a National Pricing Commission. From the reports, however, it would appear that the function of the Commission is not the planning of internal prices but only the prevention of those price increases that do not legitimately reflect increased costs.

While this attempt to restrain the profiteer is certainly welcome, it is doubtful whether it would have more than a marginal impact on the current price instability in the country. For, even more than these unwarranted price increases, it is the so-called justifiable price increases arising from increased costs, particularly the high cost of imports that pose a grave threat to our economic and social stability.

Are we so helplessly vulnerable to international market forces that there is very little we can do to insulate ourselves from high import prices? Have we so naively succumbed to the rhetoric against 'subsidies', that we have virtually resigned ourselves to drift with the World Market and become a prey to the speculators, swindlers and sharks who are increasingly beginning to dominate it?

Why should our internal price structure

reflect the external price relationships? If the foreign prices of our import commodities are high we would naturally be able to buy less of them with the limited foreign exchange that we have. Hence these commodities would be scarce in our country.

But why should we permit this physical fact of scarcity to manifest itself in the monetary phenomenon of high internal prices? The economics that we have been taught invariably associates scarcity with high prices and we have uncritically accepted this as an implicit premise in all our economic thinking.

Yet, a little reflection should convince us that the connection between scarcity and high prices is not an absolute relationship, but one that is just as relative as the familiar association of production implements with capital or Negroes with slavery.

It is only under particular forms of economic and social relationships that such transformations of implements into capital, people into slaves and scarcity into high prices take place. There have been societies in the past where scarcity has led to famine, pestilence, misery and even death, but never to inflation.

Even today in a socialist form of society in which the Capitalist link between scarcity and inflation as well as the nexus between the falling rate of profit and inflation have been effectively severed, there can be no inflation. It is only developed capitalism that converts almost everything it grasps into a monetary phenomenon, because due to its unplanned character

it needs to reduce all things to a common monetary denominator in order to evaluate and signal its scale of priorities.

But capitalist society pays a heavy price for this facility that the pricing mechanism gives it; for, apart from the distortion of social priorities due to the money bias, society, the creator, has virtually lost control of its creature, money, and what is more, it is not even able to understand the peculiarly capitalist phenomenon of inflation because the real economic and social relationships that are the cause of it have been completely shrouded and mystified by the veil of money.

But what one may legitimately ask is the relevance of all this to us who are living in a society which is far from being a Socialist one? The relevance lies in the fact that fortunately for us, our **society** is even further from being a capitalist one, which is subject to the total domination of money.

Herein lies our hope of containing inflation even though we cannot completely sever the scarcity - inflation link because of the semi-capitalist character of our society and its motivations. While we cannot totally control the pricing system, we still have the possibility of partially harnessing it to serve our purposes.

We therefore come back again to our earlier question: why must our internal price structure more or less faithfully reflect the external price relationships? Why cannot we have our own internal pricing policy and determine the structure of our internal prices independently of international prices and in accordance with what we consider

to be our national priorities?

We could certainly do so, subject, however, to the operation of two constraints; namely the foreign exchange balance and the rupee balance requirements. The first restriction implies that if the foreign prices of our imports are high we can buy only a relatively small quantity of them due to the requirement that our foreign exchange expenditure must balance our foreign exchange receipts, if we are not to incur a foreign debt.

This would naturally give rise to a situation of scarcity but would not by itself result in high internal prices. We could ration these scarce goods and price them low or even give them away free, if we so desire, without disturbing the foreign exchange balance.

But if we do so, the rupees realised from the sale of the reduced volume of imports would be inadequate to pay the exporters for the foreign exchange that they earn and surrender to the Government.

Hence the second constraint imposes on us the requirement that the rupee value of imports must balance the rupee value of exports, if the Government is not to incur a rupee deficit on foreign trade which it must finance from revenue. It is this restriction that tends to establish the link between reduced quantities of imported commodities and their high internal prices.

The rupee balance restrictions, however, applies to total values and not to individual prices. It does not require that the high foreign

price of each imported commodity should be faithfully reflected in a high internal price, but only that the total rupee value of all imports must equal the total rupee value of all exports.

This gives us some degree of flexibility to fix the internal prices of imported commodities in accordance with national priorities rather than in relation to their external prices. The opposition to subsidies is really directed against the exercise of this freedom to plan and manage our prices.

The term 'subsidy' is in fact a misnomer, for it implies that World Market prices are sacrosanct and our internal prices should in no way deviate from them. But in a system of planned prices which ignores International prices to the extent that it is based only on equating the total rupee values of imports and exports, the concept of a subsidized price loses all meaning.

Another area in which price planning is possible is the fixing of the rupee prices of our exports independently of their foreign prices. These prices could be determined so as to take into account the lower rupee prices we fix for some of the imported inputs that are incorporated in the export commodities, thereby reducing their total value which has to be matched by the rupee value of imports.

Hence we see that even within the limitation imposed by the rupee balance requirement, it is possible to plan the rupee prices of imports and exports in accordance with our national priorities and policies. Of course, such price planning

involves much effort and a continuous feedback, because partial interference with the pricing system could have unforeseen consequences.

It is certainly much easier to let the pricing mechanism do its work without interference, and expose ourselves completely to its vagaries. But then, this is what planning is all about, and not the announcement of rather elusive targets once every five years.

The rupee balance requirement that the total rupee value of imports must equal that of exports necessitates that if the rupee prices of some imports are to be fixed low relative to their foreign prices, then the rupee prices of other imports should be correspondingly higher. This indicates that the existence of a privileged import sector with high rupee prices is a necessary condition for the creation of a low priced essential goods import sector. Privileges based on wealth are undoubtedly repugnant to Socialist thinking. Yet they may have to be temporarily endured as a necessary evil, if we wish not only to relieve the pressure on the rupee prices of essential imports but also to gain some control over our internal pricing structure and the direction of our economy. For, in our present situation, the consequence of an egalitarian prohibition of privileged imports would be that essential imports would have to bear the full brunt of their inflated foreign prices. But to the extent that privileged imports are used as an absorbent of world inflation, the rupee prices of essential imports could be kept within desired limits.

The present Convertible Rupee Account

(C.R.A.) Scheme of the Government has in fact created such a privileged import sector as an incentive to exporters of non-traditional goods, and also to reduce the smuggling of gems. Under this scheme these exporters are permitted to credit a certain percentage of their export earnings to a Convertible Rupee Account. The money lying in such an account can be reconverted by them into foreign exchange to be used for specified purposes. In the alternative, they could sell this money to others who may wish to convert it into foreign exchange. The present C.R.A. scheme is designed only to promote exports and discourage smuggling, but not to combat inflation. However, since it is based on the creation of a privileged import sector, it could with some modification be used for that purpose too. To do so the following modification of the scheme is necessary.

Suppose an exporter sells goods to the value of £ 10,000. At the FEEC rate of exchange (£1-Rs. 25.75), the Central Bank will give him Rs. 257,500 in exchange for his £ 10,000. If he is also entitled to a C.R.A., say of 10 per cent then he has the right to have Rs. 25,750 of this money reconverted into £ 1,000 to be used abroad for specified purposes. He is also entitled to sell his right of reconversion to anyone else, and as a result of this transferability a legal market for C.R.As has come into being, in which the current effective exchange rate is around £ 1 = Rs. 40. Hence our exporter could sell his right to £ 1,000 for an amount equal to Rs. 40,000, which then becomes an additional rupee gain for him from this transaction. Were such substantial rupee bonuses on the sale of C.R.A. rights envisaged when the scheme was initially designed? Even if they were, are they really necessary? Is not

the right of reconverting a percentage of export value into foreign exchange a sufficient incentive by itself? Why should not the Government make use of the existence of this market for C.R.As in order to pay less rupees for exports, and thereby reduce the amount of rupees it must recover from the sale of essential imports in order to balance the total rupee values of exports and imports as required by the rupee balance constraint? Why should not the Central Bank give our exporter, not Rs. 257,500 for his £ 10,000, but only Rs. 217,500 plus the right to £ 1,000 of foreign exchange, which right, if he were to sell it, would give him the balance Rs. 40,000?

The C.R.A. scheme, modified in the above manner, should be extended to traditional exports too, if its role as an inflation absorbent is to be fully exploited. The value of our traditional exports is around £ 128 million, which at the non-FEEC rate of exchange (£ 1-Rs.15.60) is equal to Rs. 2,000 million. If exporters are permitted a CRA of 10 per cent of their foreign exchange earnings, they could use an amount equal to £ 12.8 million for foreign transactions or sell it in the C.R.A. market for Rs.512 million (£ 1=Rs. 40). The Central Bank, therefore, need give them only Rs.1,488 million and not Rs. 2,000 million. This substantial reduction of Rs. 512 million in the rupee value of exports can be used to effect an equivalent reduction in the rupee value of essential imports, the rupee prices of which could then be significantly reduced by as much as 20 to 25 per cent on the average. What has been done here **is** that the burden of paying Rs. 512 million has been shifted from the users of essential imports to the users of privile-

ged imports, and thereby we have used the latter group as a buffer to ease the inflationary pressure on the former group.

In order to facilitate the purchase and sale of these rights to foreign exchange, the present CRA mechanism which is too cumbersome would have to be replaced by a negotiable document, in fact by a new currency that would circulate in the country along with the rupee. This new currency would be convertible into foreign exchange for specified uses, whereas the rupee would remain inconvertible. For the purpose of maintaining the exchange rate of the CRA (or the new currency) at the desired minimum level, its range of specified uses would have to be widened to match its increased supply. Capital transfers and repatriation of profits are two among the possible additional sources of demand which would keep the CRA market buoyant.

Once CRA transactions have been facilitated by the introduction of a new currency, the way is open for a wider application of the scheme. For, if the CRA scheme was initially devised to promote exports, why should it not also be used as an incentive for import substitution, particularly in the case of essential imports like rice, sugar, pulses and wheat **flour?** The introduction of a new Convertible Currency in place of the CRA makes such an extension possible. Let us call this new Convertible Currency, the 'Masurama', and fix its official exchange rate at $1=M10=Rs. 40$ (i.e. $M1=Rs. 4$). The Government's purchase price of paddy which is Rs. 33/- per bushel could now be paid in the form of, say, M. 4 (which is equal to Rs.16) plus Rs.17/-. At present the Government purchases about 21 million bushels

of paddy per year. Hence the foreign exchange cost of extending our modified C.R.A. Scheme to paddy is £ 8.4 million (or, M84 million). But as against this, the rupee cost to the Government would be reduced by Rs. 16/- per bushel adding up to a total rupee saving of Rs. 336 million, which is one-third the present rice subsidy. Moreover, even this foreign exchange cost could be eliminated and the rice subsidy bill further reduced, if, as a result of this scheme paddy owners feel inclined to sell more to the government, thereby reducing the rice imports needed to maintain the present ration. For instance at the present world price of rice which is equivalent to £ 2.5 per bushel of paddy, every additional bushel of paddy sold to the Government would result in a net foreign exchange saving of £ 2.3 (i.e. £ 2.7 less £ 0.4 on account of the 4 masurams). Hence this scheme need induce an increased sale of less than even 4 million bushels of paddy to the Government for the foreign exchange cost of £8.4 million to be completely wiped out. Moreover, the present world price, even if converted at the non-FEEC rate is equal to about Rs. 42/- per bushel, whereas local paddy under this scheme would cost the Government only Rs. 17/- per bushel. Hence there is a rupee saving of Rs. 25/- on every bushel of local paddy that is substituted for an imported one. Thus, an additional internal purchase of 4 million bushels would not only more than cover the foreign exchange cost of 8.4 million but would also lead to an additional rupee saving of Rs.100 million.

If the scheme were to induce an even greater increase in the sale of paddy to the Government, there will be a net foreign exchange gain equal

to £ 2.3 and a reduction in the rice subsidy bill equal to Rs.25/- for every additional bushel of paddy sold. For instance, if the Government's paddy purchases were to increase by a further 6 million bushels to a total of 31 million bushels (which is still less than half our annual production), the net foreign exchange gain of £ 13.8 million would be more than sufficient to offset the £ 12.8 million which had to be set aside in order to extend the modified C.R.A. scheme to traditional exports too. Moreover, the additional rupee saving to the Government would be Rs.150 million making a total rupee saving of Rs.586 million which is more than half the present rice subsidy bill. What is most important is that this scheme makes it possible to reconcile the present rationing system for rice (including the free **half - measure**) with the eventual elimination of the rice subsidy, as more and more paddy is purchased internally by the Government. Apart from these purely financial benefits, the scheme also has a 'moral' advantage in that it would both quantitatively and qualitatively extend the range of the privileged C.R.A. (or masuram) recipients, and thereby lessen the iniquity of the present C.R.A. scheme which confers special privileges on a few exporters and some erstwhile gem smugglers.

The adoption of the modified C.R.A. scheme as suggested above would insulate us to a great extent from the worst effects of world inflation, and give us sufficient flexibility to plan our internal price structure in accordance with our national priorities. Orthodox economists are likely to frown at such a scheme, since the planning of internal prices is tantamount to the adop-

tion of a multiple exchange rate system, which to them is economic heresy because it violates the sacrosanct price relationships of the Capitalist World Market. But the alternative to such price planning is a policy of drift. It is certainly much easier to drift with the World Market than to steer against it, and one may probably even gain some satisfaction from self pity when international financial agencies patronizingly tell us that poor little Sri Lanka is one of the countries worst affected by world inflation. But in that case, why talk of planning, leave alone Socialism?

G.V.S. de Silva worked as a Consultant on rural development with the United Nations Asian Development Institute in Bangkok in 1974 and 1975. His work there was in effect a continuation of the interest that he had shown in this subject in his "Heretical Thoughts".

His first major intervention was at an Expert Group Meeting held in Bangkok in December 1971. Reproduced here is one of his written contributions to this meeting; it is an extension of the ideas first enunciated in "Heretical Thoughts" to an Asian context. In this brief note is also the seed of an idea that he was to develop subsequently : the state and its bureaucracy, as at present constituted in most Asian countries, are themselves a hindrance to any kind of genuine rural development.

EVOLVING GUIDELINES FOR RURAL DEVELOPMENT

In general, petty scale rural economic activity is primarily guided by considerations of minimizing resource utilization rather than maximizing benefits. The reasons for this motivation are :

- (i) a lack of access to resources
- (ii) such an attempt to minimizing risks

Such activity, therefore, does not respond adequately to normal investment opportunities. It is this inertia that has frustrated the efforts of many Asian governments to favourably influence private decision-making in this sprawling sector through price incentives and extension services.

The transformation of this type of low-g geared economic activity must necessarily occupy a central place in any development model, the primary objective of which is to improve the quality of life of large numbers of people.

.....

The issue then is, what are the structural changes in the rural economy and institutions

that are both necessary and possible from this point of view. Could the above aims be realized without an increase in the size of the operational unit for purposes of planning, decision-making and the spreading of risks? If such an integration is thought necessary and if the quality of life is to be the decisive consideration, then should not the change in the operational scale be accomplished without dispossessing the petty producers as has happened under Capitalist forms of consolidation?

What is the type of integration that is both desirable and also socially and politically feasible in the Asian context? Or, does the conflict of interests in our rural society totally preclude the possibility of such a unity of purpose and action? Will rural contradictions first have to be resolved in a revolutionary manner before a common objective could be pursued? This, to me, is the crux of the problem of rural economic development, and not the question of the co-existence and respective sphere of state and individual economic activity.

The other major issue, to my mind, is whether an appreciable improvement in the quality of rural life is possible without a substantial diversion of resources from the urban to the rural areas, thereby significantly reversing the current direction of resource flow. In the economic model which reflects 'Establishment' thinking in many Asian countries, the improving of the quality of life of large numbers of rural people is, at best, a vague possibility rather distant in the time horizon. Much closer and more specific is the prospect of improving the quality of urban

life through cheaper food made possible by increased rural production and through urban industrial development financed by the foreign exchange earned or saved by a greater rural effort.

In fact, the dominant conceptual model is essentially one in which the rural surplus is utilized for the promotion of urban industry and employment. A basic rethinking of objectives, concepts, theories and attitudes (quite outside the ambit of a 'pragmatic approach to development problems') is necessary if we are to virtually turn this model upside down into one of diverting substantial urban resources to improve the quality of life of the rural poor.

The basic issues raised by the problem of rural economic development are too fundamental to be resolved by a purely pragmatic approach to development problems; for, what is pragmatic is ultimately conditioned by one's conceptual framework. I must confess that I sense the possibility of a deeper and underlying divergence of emphasis and nuance in respect of what may appear to be an agreed set of working hypotheses.

The report of the expert group shows that many of the ideas of G.V.S.de Silva were generally accepted. In the absence of any kind of confidence in existing State and bureaucratic structures being able to advance rural production or change rural relations of production, the expert group advanced the concepts of countervailing power and of participatory institutions - a concept which

G.V.S.de Silva was to develop and put into practice subsequently.

Further, the stage of development of the rural economy in most Asian countries may not be amenable to characterisation by any existing standard categories.

There were, however, a number of common features :

1. A non-monolith power structure in the rural areas, with an uneasy coalition of various interest groups, in which the rural poor do not feature.
2. Power alignments in the rural sector which tended towards polarisation and were aggravated by production relations such as asset distribution, land and ground-water relations, tenurial security; the question of access to credit and other inputs and education; methods of recruitment of labour etc.
3. A weak delivery system where top echelons of the bureaucracy were unaccountable to the field and the lower tiers were in the grip of local power groups.

It was accepted that under these circumstances, it was necessary to build viable countervail-

ing community pressure groups outside that of existing power groups, if the delivery mechanism was to be effective in dealing with the problem of the rural poor. Without this, even decentralisation would degenerate and result in further polarisation.

There was considerable discussion of how to build such countervailing and vigilant institutions with a scattered mass of poor peasants and landless labourers and the inherent difficulties of the process. The difficulties were compounded by the fact that there were many contradictions in rural society and internal and external pressures in the rural areas were creating diametrically opposing forces: one leaning towards 'capitalism' and the other to 'socialism'. One witnesses both the 'new entrepreneurs', as well as, the 'roving guerilla bands'. Thus there is not only a confrontation between the 'status quo' and 'agents of change' on the one hand, but also between opposing agents of change on the other. The introduction of new technology, without adjustment in the existing political and institutional framework had transformed the medium and large farmers into larger landowners while reducing the small farmers into labourers. The co-operative movement in several countries, though intended for the poorer sections of the rural community, were soon taken over by the more **prosperous** sections for their own benefit.

.....

In designing local level organisations it was agreed that the institutions should become meaningful to the target groups by (a) involving them as communities in the designing and imple-

BHOOMI - SENA

"Heretical Thoughts on Economic Development" and the subsequent extract would have shown that rural development - not in the traditional developmentalist sense but as the development of productive forces in the rural sector leading to a transformation of society - had come to occupy a central place in G.V.S.de Silva's thinking. It is also apparent that he was becoming increasingly sceptical of the ability of the state in developing countries to perform this task; the state was controlled by a bourgeoisie and a bureaucracy whose existence depended on the development of an urban sector linked to metropolitan centres. It is in this context that he developed the idea of countervailing power, of the possibility of the poor and of the deprived organising themselves, in the space available to them, to fight for their own interests. This he called People's Power.

These ideas were developed, in association with a few others like Niranjana Mehta, Anisur Rahman and Ponna Wignarajah, during the period that he was working as a consultant to ESCAP. The group had analysed the experiences of rural development in a number of Asian countries, as well as other interventions at the village level. From these studies the group tried to develop the beginnings of a theory of rural development designed to generate positive growth processes in the village. Thereafter the group began to look for examples of movements that exemplified the processes which they had thought out.

This led them to examine "Bhoomi Sena, a movement of adivasis (tribals) in Junglepatti in Maharashtra in India for liberation from oppression and the establishment of People's Power". The following extracts are from "Bhoomi Sena-A struggle for People's Power", written by G.V.S.de Silva, Niranjana Mehta, Anisur Rahman and Ponna Wignarajah.

The nature of the research into Bhoomi-Sena and the objectives the researchers set before themselves are best stated in this extract from the introduction:

In the study of Bhoomi - Sena we have moved from dialogical research in a general sense towards participatory research, in which the activists and cadres of Bhoomi Sena have joined us as partners in research. This partnership has given an intersection of perceptions and knowledge generated from two different life streams, interacting with each other to jointly create knowledge. Our premise is that such intersection is a richer source and method of knowledge generation about reality, which is a synthesis of sensory perceptions (conscious and unconscious) of men and women, and in which there is an interpenetration of perceptions that are near and far in space both geographical and temporal. The reality of the immediate life of the adivasis in Junglepatti cannot be fully grasped without understanding the reality of wider social history not only of India but of the globe; conversely, the wider reality of the globe and the sweep of its history cannot be fully grasped without a comprehension of the reality of the atoms that fill up this wider space. In turn, these respective dimensions of reality cannot be understood without the respective perceptions embodied in them. The methodology of conventional social science research

is unable to obtain the perceptions of those people whose life and struggle is researched. To obtain these requires the method of dialogical research, in which the external researcher internalises himself to stimulate uninhibited responses, reminiscences, and reflections in the former, and thoughts not only from the conscious but also from the unconscious are brought out. In this process, their accumulated experience from their life and struggle, their considerations of options and rationales for action are also revealed.

Participatory research goes a stage beyond dialogical research and enriches research by the conscious intellectual input into it of the people involved in the life being researched. Our premise is that formal education and training is neither necessary nor sufficient for intellectual maturity. Life is a great educator by itself, and through conscious struggle with nature and class oppression the poorest and the formally 'illiterate' can mature in intellectual capacity as well as anybody else. We have observed this capacity in the adivasis and the Bhoomi Sena cadres and have given illustrations of this in the study. While through our participatory research with them we may have contributed to their understanding of their struggle and perhaps to some useful conceptualization of the issues and appreciation of some wider dimensions of their struggle, we ourselves have been immeasurably enriched by intellectual interaction with them, and we believe our study is richer in quality than what we alone, by the method of conventional social science research, could have attained".

BHOOMI - SENA

A STRUGGLE FOR PEOPLE'S POWER

1. INTRODUCTION: TWO FACES OF 'DEVELOPMENT'

Barely two hours' drive from the ultra-modern metropolis of Bombay (capital of the State of Maharashtra) and hugging the futuristic atomic power plant of Tarapur in Thana district is a strip of forest land ('Junglepatti') where time has stood still. This forest - or rather what is left of it after 100 years of ruthless plunder by outsiders is the home of adivasis, a generic term loosely used to describe the aborigines of India. In the multi-racial, caste-fractured Indian society, the adivasis (7 per cent of the population or almost 50 million scattered throughout India) represent an unassimilated mass, clinging to tribal organization and traditions, who have over thousands of years resisted the physical and cultural onslaught and domination of the caste Hindu society, largely by retreating to forested, mountainous and often inaccessible areas. Though often autonomous and proud communities preserving the tribal heritage, they are the most deprived stratum of Indian society.

With the rapid growth of Bombay city and a series of satellite towns in the region, the isolation of the Thana adivasi area has, however, virtually ended. The entire belt is criss-crossed with major highways and all-weather roads, river transport and a railway line. The penetration of the transport network has a purpose: exploitation of the rich natural resources of the region, mainly

forest produce and natural fodder grass. Tens of millions of rupees worth of produce is exported out of the area and the ornate mansions in the local towns bear testimony to the profitability of the enterprise.

But away from the market towns and just off the highways there is a sudden discontinuity in time. Scattered haphazardly amidst paddy fields, hills and forest enclaves are dozens of isolated small villages, clusters of small huts with mud walls, thatched roofs and almost bare interiors. Highways give way to field and forest paths and at best to cart tracks. While the atomic power plant at Tarapur supplies a sizeable part of Bombay's electric supply, hardly any of the adivasi villages have electricity or a convenient source of drinking water. Emaciated, half-naked children and prematurely aged men and women complete the picture of desolation - the other face of 'development'.

Exploding conventional wisdom, perceptive English civil servant, Mr Symington, who was charged 40 years ago with the task of making an investigation of the condition of adivasis in Bombay state, came to the remarkable conclusion that 'the problem of the aboriginal and hill tribes lies not in their isolation from but in their contacts with the main body of the community.'

Four decades ago the area, little served by a communications network, was an island of feudalism - bordering on slavery - in the midst of a coastal region developing the capitalist mode of production. Now, after 40 years, the contact has greatly multiplied, the isolation and overt feudalism have ended and production and exports have increased. The towns in the area are the outposts of the outside world and essentially extensions of Bombay city, inhabited by non-Adivasis and dominated by non-Maharashtrian exploiter classes. But, in spite of this 'development', 30 years after independence the life of the Adivasi remains essentially untouched. Perpetual starvation, seasonal migration in search of work to survive, illiteracy, disease and bondages of both old and new kinds continue to plague the Adivasi life and continue to feed the pity, solicitude and charitable concern of the 'developers' who cherish the role of benevolent guardians of the 'primitive, promiscuous and irresponsible' Adivasis.

However now, finally, the Adivasis are responding not with submissiveness, fatalism and gratitude for 'charity', but with a militancy and self-confidence growing out of an awakening consciousness. The expression of this fight against indignities, injustice and exploitation is a spontaneous, indigenous movement named Bhoomi Sena (Land Army), which is forging the Adivasis and the other poor in the region into a united, powerful force determined to confront the exploiters and the oppressors in a sustained struggle. People's power is beginning to emerge in Junglepatti.....

2. THE LAND AND THE PEOPLE OF JUNGLEPATTI

Geography and population

Thana is one of the districts of the State of Maharashtra situated just north of Metropolitan Bombay. Its southern and western (coastal) parts are urbanized, while the northern and interior areas, hilly in terrain and covered with forest, form a distinct rural zone which is the home of the adivasis. Out of Thana's total population of 2.5 million, adivasis constitute 650,000.

The district is divided into a number of sub-districts or taluqs. The Bhoomi Sena movement is at the moment centred in the Palghar taluq which has a population of about 250,000 of whom 85,000 are adivasis. The Palghar taluq has two distinct zones; the developed and urbanized coastal belt ('Bunderpatti') with a low concentration of adivasis, and the hilly forested area ('Junglepatti'), where adivasis constitute over 65 per cent of a total population of 90,000 spread out in about 100 villages.

Out of land area of 140,000 acres (circa 200 square miles), forests account for 80,000 acres and 38,000 acres are under agriculture, mainly unirrigated. The monsoon pattern of rainfall with a four-month (June-September) rainy season followed by an eight-month dry period permits only one crop, unless irrigation facilities are created.

While adivasis constitute 65 per cent of the population, they only own about 7,000 acres of land - less than 20 per cent of the total. In most villages landless labourers far outnumber land-owning adivasis, and even the latter are mainly small and marginal farmers seldom owning more than

five acres of land.

The Adivasis

Adivasi life is a constant search for work just to survive from day to day. Depending on the season, they work in the paddy fields (June - September), cut fodder grass (October - November) and work as forest labourers, road construction workers, etc. in and out of the region (December-May). They describe their migration in search of work outside the area graphically - but pathetically as 'going' out to survive. This life cycle applies to most adivasis, as even the small amounts of land that some possess hardly produce enough rice to see them through the year - particularly after they have paid back the moneylenders the inevitable consumption loan, seed loan, etc. at usurious rates of interest.

The traditional wage for a day's work is one kilo of paddy or one rupee, which even with the entire family working is barely sufficient to meet the minimum calorie requirements. The much more strenuous work in the forest may earn from two to three rupees a day, but is available only sporadically and to a limited number; again the life cycle recurs - a day's wage must provide two or three day's food. For a meagre five rupees an adivasi cuts grass (in two to three days) which is worth 25 to 30 rupees wholesale, sells at over 60 rupees in Bombay, and when converted to milk is a multiple of that value.

The day on which an adivasi does not work he does not have food, and were it not for the tribal custom of mutual sharing and solidarity, he would starve. The absence of starvation deaths, which would be inevitable in communities with more

individualistic customs, can be attributed to the collectivist communal traditions which have survived among the adivasis in spite of contact with other values.

By borrowing a few hundred rupees as a 'marriage loan', a young adivasi and his bride become bonded labourers, working for the landownercum-moneylender for meagre food rations only. They may work for 20 years before the loan is 'repaid', and quite often the next generation continues in unbroken bondage. While such bonded labour has been illegal for years, it took a major struggle by Bhoomi Sena in 1975 to finally end the system in the Junglepatti area. There is also a law on minimum wages (ranging from three to five rupees per day), which the state does little to implement, and a major struggle has been waged on this issue - with varying success by Bhoomi Sena for the last two years.

The four to six months of work outside the region are, literally, for survival; there are hardly any savings from this work to enable the people to break out of the vicious cycle of consumption loans, bondage, starvation wages and more borrowing. Moreover, the migratory life cycle prevents the children from going to school regularly, keeping them illiterate and unskilled and condemning the coming generation to the same fate as their parents. In fact, even otherwise, few adivasi children go to school for fear of physical molestation by the older non-adivasi children. The primary schools in the adivasi villages function mainly on paper. Nevertheless, a small number of adivasis have obtained education, some up to high-school graduation, through either Christian mission schools or government-sponsored hostels, a part of the tokenism undertaken by the 'Adivasi Service Association'.

Through all these grim realities the adivasis have retained their cultural identity and their traditions. While they accept the extreme poverty, they refuse to equate it to an inferior social status; their distinctiveness prevents them from becoming the dehumanized lowest rung of the oppressive caste Hindu social pyramid. One symbol of this psychological independence is the equality of adivasi women, who participate fully in labour and enjoy high social status, in sharp contrast to their caste Hindu counterparts. Community tradition, values of mutual sharing, absence of a strong sense of private individual property, egalitarianism and solidarity are the other interrelated features which characterize the adivasi society.

While the adivasi lived in relative isolation, their distinctive social traditions were an asset which ensured the continuity of the community. Unfortunately, in contact with social groups with more aggressive individualistic values, these features have become a weakness. Adivasis have been perpetual losers in economic competition with both the feudal and the more capitalistically inclined non-advansi classes.

The Non-Advans

The non-advans of the region may be classified as two broad groups. The first is the Maharashtrian caste of Kunbis, which is a cultivator caste. A few decades ago, under feudal dispensation, members of this caste were either small, independent peasant proprietors or tenants of the feudal lords. When land passed to the tiller through land reforms

20 years ago, the kunbis became owner-cultivators. Over the years, through better farming, savings, accumulation, acquisition of more land and exploitation of adivasis, they have become a relatively prosperous and dominant class, particularly at the village level. They own a large share of the land and have entered the moneylending field and through that the bonded labour system. At the village level they are the major exploiters and oppressors of the adivasis.

The other group, mainly non-Maharashtrians, are the traders-cum-moneylenders (sawkars) who over a period of 30 to 40 years have also become landowners, through a process of usurious lending and cheating of the illiterate adivasis. They generally live in the towns and operate at the village level through their agents. As tenancy is now prohibited they cultivate their lands by employing adivasi labour. Unlike most kunbis they do not engage in manual labour themselves; also unlike many kunbis they are indifferent farmers, more resistant to new ideas and intensive cultivation. Their children are acquiring college education and many of them are migrating to Bombay and other places, leaving a part of the family to manage the lands and local business. On the whole, the production system is inefficient and natural resources are underutilized. The sawkars are content with one crop of rice during the rainy season; some even prefer to let natural grass grow in the fields instead of rice, which demands more labour, investment and attention. The entire area presents a picture of indifferent agriculture.

Both these groups dominate the local political and economic institutions, with the kunbis more influential at the village level and the sawkars

at the taluq and district level. Local bureaucracies and the police are seen to be in league with them and until recently, when additional physical force was required to contain the adivasis, they employed 'Bhaiyas', a well-built and feared group originally from northern India. For the adivasis, these arrangements constitute the government - as the actual state machinery is too remote and unapproachable. Economic bondage and physical violation are used in supportive combination to maintain the absolute rule of the dominating classes.

3. A CENTURY OF BRUTALITY

From ownership to servitude: the kingdom of the sawkars (1875-1945)

... While neither the notion of uncivilized wanderer nor that of a noble savage might quite fit the state of the adivasis a century ago, one fact is undisputed: they were free men, 'owning' the means of production. They had little contact with the outside world and the outsiders had little interest in them or the area they inhabited. But once the urban centres in the south developed and the produce of the area-grains, timber and grass acquired commercial value, in the brief space of two to three decades the ownership of the entire area passed into the hands of the outsiders-mainly non-Maharashtrians. Before long the adivasis had also lost their sovereignty over the last means of production - their own labour-and were reduced to virtual slavery, a 'degraded, timid and 'exploited' people.

... By 1938, hardly 5 per cent of the cultivated land remained in the hands of the adivasis.

Not surprisingly, most of the lands had been snatched away illegally by fraud and cheating. Speaking in the State Assembly in 1939, Mr Morarji Desai, then Home and Revenue Minister, said:

... Some years back all the land was held by the people. But in bad times, during the famine or scarcity times, the lands passed from their hands into the hands of the sawkars for trifling amounts. There are instances in which land has been parted-some acres of land - for five pounds of grain and in some cases at the rate of five rupees per acre, or a rupee per acre or eight annas (half a rupee) per acre.

Separated from the lands on which they produced their own food, the adivasis were completely at the mercy of the new masters, the landlords generally labelled as sawkars-who were often also moneylenders, traders, forest contractors and grass traders.

The main leverage of exploitation was the imposition of extraordinary stringent terms of tenancy for the adivasis, for gaining access to the use of what was their own land not long before. Their passive acceptance of these terms reflects their desperation and helplessness. The main features were :

1. An oral agreement, for one season, with the adivasis living in constant fear of eviction if he displeased or disobeyed the sawkar.
2. Surrender of about 50 percent of the produce

to the landlord as rent. In addition, the seed loan and the charge for renting bullocks had to be paid, leaving the tenant hardly enough food for six months. The consequent consumption loan (Khauti) to survive the rest of the year started a vicious cycle of indebtedness, which, combined with usury and cheating, was impossible to break.

3. In addition to rent in kind, payment for the privilege of using the land by rendering veth or forced labour to the landlord for as many days in a year as was required of him. The normal compensation for a day's work was barely enough rice for one person for one meal. This labour was utilized by the landlord to (a) cultivate his own land, the entire produce of which he retained, (b) do work in the forest if the landlord was also a forest contractor, (c) cut the grass if the landlord was a grass trader, and (d) do any domestic work for the sawkar as required. This forced labour invariably conflicted with the seasonal work the adivasis needed to do in their own rented fields, thus reducing their food production, and diminishing the possibility of their earning some supplementary income by independent wage labour.

Symington described veth as 'this terrible system, which entails conditions of life hardly distinguishable from slavery on the bulk of the aboriginal population... The entire inhuman and illegal system was enforced by the sawkars through a private army of savage watchmen who indiscriminately beat, whipped and at times even murdered the adivasis. The police connived at it, the minor officials of the

area were a party to it and even the courts took a 'strangely perverted view' of the proceedings,

In fact, the adivasis were the private property of the sawkars. Symington mildly records: 'Landlords will not scruple to use their power in fulfilment of other purposes; for instance the use of their tenants' womenfolk for the gratification of their lust'.

The marginal degree of freedom that remained with the adivasis after paying his dues as a tenant, both in kind and in forced labour, was extinguished through 'legal' bondage produced by moneylending.

In addition to the exploited adivasis and the feudal sawkars, there was a middle level of non-adivasi agriculturists who had migrated into the region over centuries and particularly during the last 100 years. These intermediate caste producers (kunbis, vanjaras, etc.) were present in varying proportions in different taluqs of Thana district, ranging from less than 5 per cent in the more thickly forested areas to over 25 per cent in the Palghar Junglepatti area (mainly Kunbis), and even more in some other areas. While they came into the area as labourers—originally seasonal—many had gradually become tenants and even middle-sized, self-sufficient owner-cultivators. In general they were more aggressive than the adivasis, saved more and acquired small parcels of land. They were the largest tenants and were supervisors on the sawkar's cultivated land.

These producing middle castes, the northern Indian watchmen (Bhaiyas) of the sawkars, the non-producing educated middle classes and the poor

relations of the sawkars played an important role a decade later, after the feudal system had collapsed.

This was the general picture in 1945. On the one side were the perpetually starving, half-naked, totally debased adivasis cringing in fear; on the other were the sawkars, opulent, arrogant, oppressive feudal lords, many of them millionaires, uninhibited displaying their wealth.

Parulekar, who played an important role in the area in the 1940s, graphically describes the life-style of the landlords around the year 1945:

"The landlords generally had two places of residence. To the west of the Western Railway are small towns... where the landlord population predominates. They own spacious mansions in these places. To the east of the railway lie their fields. Near these stand the landlords' farm houses where they come and stay in season to supervise farm work... These are the fortresses from where they could easily keep a firm hold over the Warlis....

A neat drive ran from the gate to the house which stood about a furlong away. It was a spacious two-storeyed house surrounded by a well-kept garden... The dining room was upstairs, beautifully furnished with dining table and side-board of Western design, in and on which were displayed bowls of fruit, bottles of liquor, and a collection of delicate china. This particular landlord was a barrister who had been called to the bar in England. But it had not changed his feudalistic attitudes...

In villages near the railway stations stand palatial houses belonging to Hindu and Muslim landlords and moneylenders. Their life-style was also feudal with horse carriage, horses, granaries and large families... The Warli slaves moved and worked around them like marionettes. These landlords showed no signs of progress, not even in the outward niceties of modern life as did the Parsi and Irani landlords. They lived in a narrow, self-centred world..."

By the late 'thirties and early forties the feudal sawkars, 'westernised' and traditional, were rapidly becoming an anachronism in western India. The British Raj was in its last decade. The tide of nationalism had thrown up in its wake a new countervailing power against the British, organised by Gandhi through the Congress Party, and by and large led by the non-feudal newly educated middle classes in western India. In the economic arena, too, the feudals were losing ground; new classes of industrialists and traders had amassed enormous fortunes, particularly during the Second World War period.

The feudal sawkars remained oblivious to all these changes in the outside world. Absorbed in the petty pleasures of their narrow world, they felt secure in the belief that British India would last for ever, and so would their kingdom. Not that there had not been sufficient signals. Christian missions, schools, etc., had been active among adivasis and poor non-adivasis of the area for decades and education was bringing about a slow change among the non-adivasis middle castes (e.g.

kunbis) and a small section of the adivasis. Then there were the Gandhian interventions, part of the nationalist ferment, and again in western India a powerful force for social reform and renaissance. Dozens of dedicated socio-political workers had settled down to a lifetime of work in the adivasi areas of western India, including Thana district. They started schools, hospitals, cooperatives and general movements of social reform among the adivasis, often organized through 'ashrams', the modern secular equivalent of the ancient Indian tradition of the camp-cum-school built around wise and holy men who had renounced the material world in search of 'knowledge and truth'. The ashrams' scale of operations, though still small in the 'thirties, was increasing - and they were the communication vehicles through which the newly emerging urban middle classes were becoming aware of the condition of the adivasis.

The social reform movement of the area was loosely organised into an organization named 'Adivasi Seva Mandal' (Adivasi Service Association), composed of social workers in an out of the region and linked to the Congress Party. While the organization provided some relief and backing to the timid adivasis the sawkars ignored it as a minor nuisance, oblivious of its linkages to the nationalist movement.

In 1940, Mr B.G. Kher, a leader of the Adivasi Seva Mandal, wrote:

The fact that such a big mass of humanity should be rotting in a condition of life more debasing than that of slaves within 50 miles of Bombay and that our citizens should be in complacent ignorance about their hardships and tortures is certainly disgraceful.

Hardly five years later, the same Mr Kher became the first Chief Minister of Bombay as the head of the Congress Party, and in 1947 British rule in India ended.

THE REVOLT OF THE ADIVASIS (1945-47)

With the historic, economic and political changes in the outside world, some reforms over time in the sawkars' kingdom were inevitable. Instead, unexpectedly, and much to the dismay of the erstwhile proponents of change - the Congress Party, now the Formal Power - the system suddenly collapsed, thanks to a spasmodic outburst of the hitherto timid, lifeless and patronized adivasi himself. In less than two years the newly awakened, militant, defiant adivasi overthrew his masters in a totally unanticipated display of fury, energy and spontaneous mobilization.

This was not the scenario that the new power in Bombay had in mind. They had sympathy for the lot of the adivasi and had intended to bestow on him gradually many benefits to make up for the injustice of the past. Above all, in their characteristic patronizing but calculative manner of thinking, they wanted the adivasi to know who his benefactors were and to repay the debt by his loyalty to them in the populist state which they were about to build.

It was the Communists, still in their militant phase, who upset the Congress Party's plans and catalysed the adivasi revolt. The chief architects of the episode were a young woman named Godavari Parulekar, a party activist, and her husband Shamrao

Parulekar. The involvement of the Communist Party made the revolt even more unpalatable to the Congress Government, who were put in the uncomfortable position of supporting in principle the demands of the Adivasis but opposing the timing, the agitational method and the communist connection. The Congress Party was determined not to permit the consolidation of communist influence in any pocket of India.

In fact, Godavari Parulekar has repeatedly recorded that the adivasi revolt was largely a spontaneous event with herself and the party playing a limited but vital catalytic role. In the preface of the English translation of her book 'The Adivasis' Revolt, published in 1975, she notes:

Adivasis...went about the business of existence without feelings. In fact it seemed as if all their emotions had been dead. Even if they were starved, or killed, or their wives kidnapped away from them, they remained dumb through it all ... This was the situation when we arrived in their midst. Yet a spark of discontent and anger that still glowed under the ashes of their existence later burst into explosive life, We helped to control and guide this fury (emphasis added). The human being in the adivasi was awakened. With our support he began to think and behave like a human being. He became aware of his rights and his awareness gave him the courage to stand up and resist heroically. In this book I have attempted to tell the story of his metamorphosis from dumb creature to man.

Godavari began her involvement in a very simple and forthright manner. She and her co-workers went from village to village, lived with the adivasis and shared their food, huts and tales of woe; they told the adivasis that forced labour and bonded labour were illegal and that in unity they could raise their wages; they assured the adivasis that many people outside cared about them and would support them, particularly other organised peasant and worker groups; and, by successfully defying the sawkars and their dreaded agents in front of the astonished adivasis, they created for them an alternate focus of credible power, presumably based on some magic 'law', on which they could rely-perhaps as blindly as they had obeyed the sawkar power.

Having for the first time explicitly shared their bitterness with each other and with sympathetic middle-class outsiders, and emboldened by their own experience of successful collective experimental defiance of the landlord on marginal but symbolic issues, the entire adivasi community was suddenly awakened. Stories-often exaggerated - of their own actions and the prowess of their outside friends spread spontaneously to a wide area and the red flag and the few simple slogans (half understood) became the symbols of unity and defiance.

The visible culmination of this village by village mobilization was the series of mass meetings organised by the Parulekars in which thousands of adivasis participated, marching through the towns on their way in disciplined parades, striking

sudden fear among the sawkars. Each meeting passed resolutions pertaining to issues which were most pressing for the adivasis, and in the subsequent campaigns and struggles the adivasis fought for their rights with determination and discipline.

The first struggle was to put an end to the hated system of forced labour, immediately followed by a campaign to end the system of bonded labour. Adivasis, with complete unity, refused to render veth and a massive procession went from village to village and house to house freeing bonded labourers. The sawkars resisted bitterly-but, now without the support of state power, they could not enforce their will on these patently illegal practices with only their private armies. There were skirmishes, incidents and some settling of blood accounts but, in the space of less than two months, servitude was ended by this eruption of adivasi power.

The focus now shifted to wages for grass cutting and in the critical harvesting season the adivasis went on strike. This was now a different issue, not as clear-cut a case of inhumanity and injustice as forced labour for the outside world, involving a somewhat different trader class and affecting the milk supply to Bombay city. The Government stand was equivocal and, when the sawkars provoked an incident by making it appear that the adivasis were about to engage in organised mass violence, the unbriefed and uncertain police resorted to firing on an adivasi meeting, heightening adivasi consciousness and heroism but finally committing state power against the movement. The

Parulekars were expelled from the district, for a brief period but the struggle continued. Finally, desperate to have the grass cut before it was useless, the sawkars yielded on the issue of wages. In the meanwhile, many adivasis had been arrested and many more beaten by the police and by the sawkars' agents. This only served to strengthen further the adivasi resolve to fight.

The next issue was refusal to pay rents in excess of agreed amounts and refusal to pay fictitious 'arrears', which never seemed to end. Here, being on the wrong side of the law, the sawkars gave in without a fight in the face of adivasi unity.

By November 1946 the movement had won significant victories and spread throughout the region, through the adivasis' own efforts and spontaneity. The Congress Government was alarmed by its wider implications and during the next struggle, over wages for forest work, the state clamped down, expelled the Communists again, arrested hundreds of adivasis, and sent a force of 1,000 police into the area.

However, the adivasis continued to resist. Hundreds went underground, disappearing into the forests when the police approached a village, organizing themselves into divisions of 100, 200 or even 500 men, resorting to guerilla tactics, but not surrendering on any of the issues on which they had secured hard-won victories. Even some firing incidents could not dissuade them; the newly emerged adivasi cadres maintained unity and peaceful

discipline.

Finally, the army was moved in. But by that time public opinion in the cities had been aroused and the newspapers helped to create a climate of opinion against the use of such excessive force. The army was promptly withdrawn and calm gradually returned to the area.

By this time, the world of the sawkars that the adivasi had shattered could not be pieced back together. Parulekar writes:

In the sacred fire of the agitation that raged from 1945, the adivasis made offerings of such evils as serfdom, marriage-servants, vethbigar, grass and forest work at four and two annas a day, formidable arrears in rents, and many other forms of exploitation Those who had marched into the battlefield with unlimited powers and money, and were aided by armed police and goondas, were made to bite the dust before half-naked, half-starved men, whose only weapons were a capacity for self-sacrifice, an invulnerable solidarity and unflinching dedication. Out of this battle arose the class-conscious peasant.

However, unfortunately, this was not the final word. The adivasis had won the battle through unprecedented mobilization. Equally, the state had not given up its intention of demobilizing the aroused adivasis-only the method of pacification was to change from forceful confrontation

to insidious tranquillization. ... Thirty years after the historic revolt, the next generation of the adivasis remains illiterate, ignorant, half-starved and oppressed by a new class of sawkars, perhaps less brutal than the feudal lords, but equally exploitative through economic processes and - where necessary - through extra legal and physically coercive means. The sons and daughters of the adivasis who were declared by Godavari as class-conscious have again been reduced to passive acquiescence.

The reasons for this retrogression are to be sought not only in the strategy and strength of the exploiting classes. They also call for introspection regarding the limitations of the methods used during the struggle : the role of the outsiders versus the creation of internal cadres; the emergence of new dependency relationships; the difference between spasmodic mobilization through topical agitation and painstaking organization for sustained struggle; and, finally, the meaning of consciousness, which is more than heroism plus incantation of half-understood slogans based on undigested lessons in incomprehensible 'ideology'. These issues will be analysed while describing the method of Bhoomi Sena in the following chapters.

AFTERMATH OF THE REVOLT: THE RISE OF THE NEW DOMINANT CLASSES

The pacification efforts by the state took many forms, both as official actions and through encouragement of voluntary agencies.

First, the state formalized what the adivasis had already won - forced labour and bonded labour

were abolished and tenancy conditions were regulated, with rents substantially reduced and permanent tenure guaranteed. In addition, measures were taken to regulate moneylending with a limited relief on past debts. At least on paper, these legal measures constituted a substantial change in agrarian relations.

The higher wages won for grass cutting and forest work were largely sustained and in time the forest workers were organised into cooperatives, eliminating the contractors from the primary operation. Since the illiterate adivasis could not manage these cooperatives, however, they provided a fertile field for the emergence of a new exploiter class consisting of an educated petty bureaucracy and local politicians, the professional 'cooperators'.

In the socio-cultural field the Congress-affiliated Adivasi Seva Mandal became very active, now with full state support. New ashrams and schools, hostels for adivasi students, social welfare doles, etc. brought the Mandal workers in close contact with the adivasis and helped them counter suspected communist influence. The more enterprising among the adivasis could be easily coopted in support of the system by the provision of jobs and other opportunities in state and voluntary institutions.

At any rate, the overall effect of all the measures was to defuse the explosive situation and to create divisions among the adivasis by differential rewards and expectations. The poorest

among the adivasis, the kathkaris, who specialized in forest work and had by and large not joined the 1945-47 movement, were made a particular concern by the Mandal and became strong supporters of the Congress.

With no fresh issues, sustained struggle or permanent forum for discussion in the form of an organization, the adivasi community was demobilized almost as rapidly as it had been aroused. The ease with which the pacification operation could be carried out is again a pointer to the fundamental inadequacy of the approach to mobilization adopted during the revolt period. With adivasi passivity ensured, the stage was again set for exploitation.

The state interventions, however, were not meant to revive the feudal system which had collapsed by 1947. On the contrary, the new power structure at state level was happy to join in hastening the destruction of a potential rival class. On the one hand, the feudal sawkars were incapable of managing their affairs without the prop of forced labour, etc., on the other, they feared for their physical safety on entering too far into the adivasi area. Adivasis had demonstrated their wrath by totally demolishing a number of sawkars' residences near their fields in the interior areas. So the sawkars thought it best to withdraw to the safety of their homes and lands in sawkar-dominated towns, close to the railway line.

Thus started the scramble for the land put up for distress sale by the feudal class, sold naturally in small parcels. Broadly, the purchasers

were of three kinds :

1. Larger tenants from the non-advansi producer castes, such as kunbis, who brought cheaply the lands they were renting.
2. The former supervisors (often poor relations of sawkars), watchmen (north Indian Bhaiyas) and other underlings of the sawkars, who thought themselves strong enough to handle the advasis either on their own or with the help of state power.
3. Non-producing petty traders in the villages and the educated middle class, who saw an opportunity for potentially profitable investment.

Hardly any land passed into advansi hands (except in areas which had a negligible population of non-advasis) and they remained tenants of the new owners or landless labourers, though under somewhat altered and more regulated conditions.

Some of the feudal families, their power and assets lost, sank in socio-economic status and merged in time with the middle class. Others, however, concentrated on developing highly intensive orchard cultivation on their remaining lands near the railway line and are today thriving capitalists - a remarkable transition.

The new owners of the sawkar land set about organizing production and consolidating their hold on the area. The state helped them by establishing credit cooperatives, extension agencies, etc to

promote production. But not all the new land-owners were equally efficient and productive. While producer castes, such as kunbis, increased their production by direct involvement in it, many others became mini replicas of the feudal lords preferring tenancy arrangements or indifferent farming.

By 1952, however, the more numerous and aggressive middle-caste producers (the Marathas) had displaced the educated, higher-cast (Brahmin), older generation of Congress politicians at the state level. Acting in their interest as the rising capitalist class, they agitated for 'land to the tiller', and in 1957 tenancy was completely abolished in Maharashtra.

The effect on the Thana adivasi area was (a) to weaken the non-producing classes vis-a-vis the middle castes and (b) to confer for the first time a substantial amount of land on the adivasis (estimated to be about 40 per cent). Special measures were also enacted to prevent the sale of adivasi land to non-adivasis.

These measures, however, had only a marginal effect on the adivasis. Most of them had neither the financial means nor the necessary implements to cultivate the land which was now theirs, without borrowing both for production and consumption. Through this familiar process they again became first unofficial tenants and in time landless labourers, some descending into bondage again, mainly through marriage loans. Most of the land they lost passed into the hands of middle-caste kunbis, who had not only become good-sized, prosper-

rous farmers but had also become moneylenders, in the process acquiring more land from adivasis, thereby drifting into softer non-productive activities, 'supervision', etc. Some adivasi land was also acquired by local traders-cum-moneylenders, mostly through unofficial and illegal transactions. Thus, by 1970, the adivasis had hardly any more land in actual possession than they had at the zenith of feudalism 25 years before.

The social situation at the time of
Bhoomi Sena's birth (1970)

By 1970, the politico-economic processes of the previous quarter century had produced a complex class spectrum in the Junglepatti area quite unlike the feudal situation in 1945. As has been described, some classes had almost disappeared or had been rendered impotent (feudal lords); some had gathered strength and were struggling for total dominance (kunbis - rich peasants); some had been born in the vacuum created by the decline of the old classes (moneylender-trader sawkars): and the landless and poor peasant adivasis had continued to occupy the bottom position.

In the meanwhile, there had been a slow but substantial politico-economic change in the outside world and the internal contradictions of the area were being increasingly influenced by the accelerating impingement of the broader conjuncture. Capitalism was developing in western India, but at a modest pace.

Feudal landlord sawkar: This powerful class

had totally disappeared from the Junglepatti area by 1970. However, those who had made a successful transition to orchard-based capitalism close to the railway line exerted an indirect influence by providing wage employment to seasonally migrating adivasis from the area. Paradoxically, these former oppressors had acquired a 'progressive' image among the adivasis by paying higher wages (based on efficient and profitable orchard farming) than the local sawkars and kunbis.

Moneylender-trader sawkar: This was essentially a new class, gelled out of the retainers of the feudal lords, moneylenders, small traders, contractors, salaried petty bourgeois, etc., which arose in the wake of the decline of the feudal sawkars. They were a non-producer mercantile class, who had acquired land as one of their investments. The richer among them had powerful linkages with external mercantile interests. In life-style they tended to emulate as best as they could (within more limited means) the former feudal sawkars.

Rich peasants: This class was composed almost entirely of producer middle castes like the kunbis. While they did involve themselves directly in production, the richer among them had completely disengaged from actual labour and tended to engage increasingly in mercantile activities such as trading, moneylending, contracting etc. This dual characteristic hampered their transformation into true capitalist farmers. Their linkages with the ruling power structure in the state were close but ambivalent, again due to their vacillating nature.

Middle peasants: The middle peasantry was composed

of the poorer among the kunbis and the richer among the adivasis. Kunbis in this group, while engaging adivasi labour during the peak season, participated in labour themselves. In general with the same amount of land, a kunbi tended to do better than an adivasi; his methods were more efficient; he extracted more out of hired labour; he saved more; and, due to more individualistic values, he retained more of the produce than the communal traditions of the adivasis would permit. Nevertheless, even kunbi middle peasantry often had a dependency relationship with the moneylenders.

Poor peasants: This class was almost exclusively adivasi. The produce of the marginal amounts of land lasted for just a few months and all the poor peasants were also labourers, both on the land of others during the season and outside the region during the off-season.

Landless adivasis: Many of the landless had only recently lost the lands they had acquired during the 'land to the tiller' legislation of 1957. There was little social differences between them and the poor peasants. However, those among them who had also lost their freedom and become bonded labourers were distinctly the most oppressed among the adivasis.

Interlinkages and relationships: Regardless of landholding, the differences in living standards among the adivasis were marginal. Even the middle peasant, by the time he had settled his debts with the moneylenders on the one hand and fed the adivasi labourers on the other, had little surplus left

for additional consumption or for investment at the end of the yearly cycle. The only differences were in the degree of freedom (i.e. bonded versus free labour) and the number of months it was necessary to migrate for outside work.

The exploitation of the adivasis by the non-adivasis was mainly through wages and money lending with illegal tenancy (rent) forming a small but not insignificant part. While the kunbis tended to exploit more through wages, the others extracted more through usury and trade.

The kunbi and the sawkar exploiters had their differences both in personal characteristics and economic interests. However, in the slow moving capitalist development of the region, Junglepatti was still a pre-capitalist area and all the exploiter classes were in alliance against the exploited adivasis. Capitalist penetration and pull were not yet strong enough to drive a wedge between the potential producer class of rich peasant kunbis and the other exploiters or to compel the kunbis to become efficient capitalist producers and shed their mercantile characteristics.

Changes, however, were imminent. State capitalist institutions in the form of nationalized banks, a forest development corporation, co-operatives and a dairy were the harbingers of the greater penetration of the growing external capitalist economy into the Junglepatti area.

Unlike the feudals in 1945, who were oblivious to the changes in the external world, all the

classes - both exploiter and exploited - had a greater awareness of the situation in 1970. They also had their respective politico-economic linkages.

Political alignments at the local and state level

The ironic effect of the communist intervention of 1945 was (a) to convert some feudals into orchard-owning capitalists and (b) to create a new class of moneylenders, traders, contractors and landowners (sawkars) and a class of rich peasants (kunbis) in the Junglepatti area.

While the sawkars are the dominant class at the taluq and district level, the kunbis are becoming dominant at the village level in the Palghar Junglepatti area. They have also become the class of the Congress Party. But the adivasis after the initial brief period of hesitation due to welfare measures, and as their condition deteriorated, drifted progressively to the Left opposition parties, to the Communist Party in the core area where the Parulekars had worked and to the Socialists in the Palghar area.

The Socialists particularly won the loyalty of the Palghar adivasis by taking up the legal battles for the reclamation of adivasi lands illegally acquired by nonadivasis. Being in opposition, they also did not hesitate to mobilize the adivasis for more direct action, civil disobedience, deliberate courting of arrests, etc.

Though the rule of the exploiting classes was total in the Junglepatti area, and the state-

level political power operated through them locally, these classes were a minor part of the state-level power structure in which the urban industrial classes, professionals and more efficient sugarcane farmers from other parts of Maharashtra played dominant roles. The state political power did not interfere with the local dominance of the sawkars and even afforded it some legal and police protection. However, broader compulsions of a populist regime - both at the state and national level - compelled it to pass legislation dealing with tenancy, minimum wages, employment guarantee, etc. which was inimical to the sawkars and provided a legal basis for the demands of the adivasis. In this legitimate struggle of the adivasis, the sawkars could no longer be sure of the wholehearted support of the repressive apparatus of the state.

While the state would support capitalist exploitation based on more efficient farming, it was no longer willing to back up serfdom and extra economic oppression. This reflected the gradual change in the class character and priorities of the state at the regional level.

This was the economic and political scene in Junglepatti on the eve of Bhoomi Sena's birth in 1970: a new economic situation in which adivasis were nevertheless exploited and starving, mainly landless and living in fear of the new classes; a political situation created by communist, Congress and socialist interventions; and a cultural situation conditioned by Christian missionary and Adivasi Seva Mandal educational efforts of many decades. The main actors in the Bhoomi Sena movement are a product of the interaction of a

number of the above interventions and social processes that have affected the adivasis.

4. A DECADE OF STRUGGLE

From symbolic to real struggle

While internal changes were taking place in the Junglepatti area, the political situation in India as a whole was changing. The political stability which had prevailed since the elections of 1951 disappeared after the 1967 elections. The Congress Party, which had had the monopoly of power since Independence, lost it in about ten states. These states saw the formation of non-Congress and United Front governments, but the Congress Party continued its efforts to regain its majority in them. This was not difficult, because it was in power at the Centre. The people had defeated the Congress in 1967 with the hope that there would be a major transformation. But **this** transformation was nowhere to be seen in the ensuing period. So the people began to organize direct actions and struggles.

In this atmosphere, all the Left parties in India started the 'land grab' movement. Both the communist parties, the two socialist parties and many other Left groups and parties joined together in the struggle. It became a nationwide movement. The Palghar taluq also joined the struggle. The Praja Socialist Party led the movement here because it had a strong party organization in this area. On 9th August, 1970, they offered satyagraha on the land belonging to the Anjuman Trust in Mahim. The Trust owned 2,000 acres of land in this area. About 150 people participated in the satyagraha

They entered the property of the Trust and were all arrested by the police and sentenced to 15 days imprisonment. Among those arrested were many adivasis; their leader was Kaluram. They were lodged in the district jail in Thana.

In the prison, the political workers held discussions about the future of their movement and their programme. The majority of the agitators felt that their problems were over after they had offered satyagraha. They saw their imprisonment as the end of the struggle.

Kaluram and his adivasi colleagues, however, felt that most of these discussions were meaningless. Unable to subscribe to the view-point of the others, they began to hold separate discussions among themselves. They realized that their problems were not solved, even though they had landed in jail. Thousands of acres of land belonging to the adivasi cultivators had been usurped by the sawkars; they had not yet touched that land, so their struggle had not even begun. The agitation offered on the lands belonging to the Anjuman Trust was a mere illusion. The real aim should be to recover their own lands usurped by the sawkars. Until this was achieved, the struggle had to go on.

Kaluram discussed these thoughts with the other (non-adivasi) workers of the party, but they were unmoved. By and large they held the view that the struggle was over and nothing more was possible. The idea of entering land held by the sawkars was anathema to them.

Kaluram and his colleagues realized that the adivasis would have to fight their own battles, that others were not likely to help them. They also felt that the adivasis must have their own organization in order to launch the struggle to get back their lands.

After his release from prison, Kaluram put these thoughts to the people by organizing small meetings of the adivasis of the area, village by village. A young adivasi of Vadhan closed his tailoring business in order to go around with Kaluram to propagate the ideas. Others joined them, and they collected detailed information about the usurpation of lands by the sawkars. People readily joined them in collecting this information.

Investigations, not surprisingly, revealed that there were innumerable cases where the sawkars were actually occupying the land which the revenue records showed as belonging to the adivasis, although in some cases the sawkars had managed to transfer the title of the adivasis' land to themselves. The whole process of investigation created a general awareness of the situation and the adivasis, by sharing their common problems in the village and between villages, forged new bonds. In this changed atmosphere, a group of young people led by Kaluram founded their own organization, and named it Bhoomi Sena (Land Army), to fight the injustices perpetrated on the adivasis. Eight hundred 'soldiers' joined Bhoomi Sena. There were no formalities, no elections, no office-bearers. In the beginning, the older adivasis as well as the sawkars opposed the Bhoomi Sena

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programme of recovering illegally occupied lands. Even Kaluram's brother was opposed to this struggle. Therefore, many strategy sessions had to be held secretly in the hills and the forests. In these meetings, it was decided to launch the struggle in the villages around Vadhan. It was agreed that, as an initial tactic, the crop on lands usurped by the sawkars in these ten villages would be appropriated by Bhoomi Sena.

The first action in the struggle was to take the crop from the land of a rich sawkar, a trader. About 600 people came with sickles in their hands. Kaluram reiterated the aims and objectives of the struggle. As soon as his speech was over, the people raised the slogan of 'Jai Bhoomi Sena' (Victory to Bhoomi Sena) and entered the fields wielding their sickles. The sawkars were taken by surprise; there was no resistance. They did not dare to be present on the scene and the crop was taken away by Bhoomi Sena. This incident was only the beginning. Encouraged by their success, Bhoomi Sena seized the crop in other fields as well. But, gradually, the sawkars began to retaliate. In Bada-Vadkona village the sawkars called the police when the adivasis entered their fields. The police threatened the adivasis with arrest. They in turn told the police that they were implementing the law and taking the crop from lands which really belonged to them, and that the police were acting in an illegal fashion in league with the sawkars. The police were taken aback

by the fearless attitude of the adivasis, and were unable to do much beyond taking Kaluram to the police station.

By this time, crops in the fields belonging to 70 to 80 people in ten villages had been appropriated. Emboldened by this, adivasis began on their own to take over crops from the lands which had been usurped by the sawkars. These spontaneous actions were supported by the workers of Bhoomi Sena. The Socialist MLA from the area raised this issue in the Maharashtra Assembly. As a result, the Sub-Divisional Officer came to the town of Manor to hold discussions with Bhoomi Sena. He promised to resolve all cases where ownership of land was in dispute. Bhoomi Sena felt that this was a move to defuse the atmosphere which had been built up in the struggle. They told the SDO that they had no faith in the efficacy of government intervention; besides, the adivasis would not be able to go to the sub-divisional headquarters for arbitration, so the SDO would have to come to Manor to resolve the issue. To the surprise of Bhoomi Sena, the SDO agreed. He brought his court to Manor and 300 pending cases were decided in three days. In 799 cases the verdict was in favour of the adivasi cultivators, who won back a few thousand acres of land from the sawkars.

The real issue—the usurpation of adivasi lands—**which** had been intractable or avoided in previous court fights and symbolic actions, had been tackled successfully by the people's own united action, and the system had bent to this assertion of adivasi collective power.

Wherever the crop had been cut by Bhoomi Sena it was threshed collectively and stored for the next season in the grain banks which were formed in many villages. In the village of Bada-Vadkona, one such grain bank was attacked by the sawkars and their hirelings. The villagers and the Bhoomi Sena workers put up a tough fight, in the course of which the adivasis received injuries. Despite being the victims of the attack, the adivasis involved in the confrontation were arrested by the police and beaten, to compel them to confess to crimes they had not committed. Within 24 hours a morcha (demonstration) was organized by Bhoomi Sena to protest against this. The Socialist MLA also participated in it. As a result, the police were forced to withdraw the case and the police officer involved was transferred.

This successful confrontation led to a spontaneous spread of the struggle in the neighbouring Vada and Jawhar taluqs. The people of these sub-districts invited Kaluram to come to them. They decided to harvest the crop in the fields of a sawkar who had illegally occupied eight acres of adivasi land and had managed to get it transferred to his name in the government records. As the people began to harvest the crop, the sawkar came to the field with a gun in his hand and threatened to shoot them if they did not leave the field immediately. As the land was 'officially' in the sawkar's name, the police intervened. They arrested everyone, including Kaluram, for 'forced entry into private property' and sentenced them to 12 days imprisonment.

Bhoomi Sena now faced a new problem, relating to the grain banks. The paddy which they stored in these banks was in some places eaten up by those in charge of them. When the monsoon came, there was a shortage of seed for sowing. Some adivasis did manage to sow their fields, but others could not for lack of seeds and the sawkars' refusal to help them out. They began to blame Kaluram and Bhoomi Sena for entrusting the surplus paddy to the wrong persons. And as some of these were Kaluram's friends, they became suspicious of him too.

This difficult situation reveals the shortcomings of the methods used by Bhoomi Sena to mobilize the adivasis. The people were not aware that winning back the lands from their illegal occupants would not solve all their problems. They were also unaware of the methods by which they could face these problems. As a result of Bhoomi Sena's neglect of the need to raise people's awareness in the course of the struggle, its programme of forming grain banks ended in a fiasco. Furthermore, the people did not participate in the process of forming these grain banks.

A major weakness of the movement was that it failed to knit the people who took part in the struggle into a cohesive whole. The 800 people who participated in the Bhoomi Sena activities and those who won back their own lands had different views of the struggle: Bhoomi Sena workers saw the confrontation with the sawkars as the primary objective whereas to the adivasis who won back their lands it was a matter of personal gain, as

evidenced by the fact that many adivasis cut the crop only in their own fields and did not participate in collective crop-cutting.

The nature of the movement remained sporadic; participation of the oppressed remained momentary and even symbolic. For these reasons, the struggle regressed. The next season came and a few of the adivasis gave their land to the sawkars to cultivate; others borrowed agricultural inputs such as seeds, cattle and ploughs from sawkars at exorbitant rates of interest. Slowly, people forgot the struggle which they had launched in the previous year. Occasionally there would be incidents of cutting crops in the fields of sawkars, but they were without any real enthusiasm.

When the movement had reached this confused, depressed state, it succumbed to a set of ready-made schemes proffered by old and well-meaning friends. The Socialists and social workers responded to Kaluram's request for help with a package of new technology and finance wrapped in paternalism.

FROM BHOOMI SENA TO SHETKARI MANDAL

Technocratic thrust

In early 1972, some leaders of Sarvodaya (a movement in the Gandhian tradition) arranged a meeting between Kaluram and a well-known social worker* from Bombay. The latter was a lawyer by training and had made a successful business of dairying

* Hereafter called SW.

and farming. He was one of the trustees of a voluntary organization for adivasi upliftment which emphasized production as a key to overall social development. In May 1972, the trustees of the organization motored down to Vadhan to survey the village and the surrounding areas. SW felt that this area was ideally suited for their work.

The Trust discussed its development plans in the area with a nationalized bank, which had agreed to cooperate with them. As an experiment, the bank sanctioned loans for 20 families in Vadhan for the agricultural season of 1972-73. The 20 families participated very enthusiastically in this new development programme, the main objective of which was an increase in production through the use of modern methods of agriculture. There was a drought in the Vadhan area in 1972-73 and as part of the drought relief work two wells were dug here. The 20 families were active partners with SW in the experiment, but the feeling of participation was shattered when their opinion was not sought or respected at the time of disposing of the crop.

The perception of the 20 families who participated in this experiment may best be described in their own words:

When the Trust first started its work, 20 of us were working together in the field. SW would stand on the bund and exhort us to put enough fertilizer into the fields if he felt that we were putting too little. We had never used fertilizers before and were therefore very apprehensive about its

use. But later, the crop was so good that it seemed as if it would hold our weight if we jumped into the field. We were sure we would be able to pay back the bank loan. But when the paddy was threshed SW insisted that we contribute our rice to the government levy, in spite of the fact that the Government paid a much lower price than the prevalent market rate. We felt let down, but had no option except obeying SW. The district collector came with great fanfare and praised SW for 'making the small farmers conscious of their social responsibility and persuading them to contribute their rice to the government levy, despite the fact that they were exempt from this levy'. We were not able to pay back the entire bank loan and our faith in the experiment went down.

One of the other participants said:

In the first year all of us worked together in everyone's field by rotation. We used to discuss every day before we started working. If seedlings were ready for sowing in anyone's field, we used to work together in his field. Whenever we had meetings with SW, we used to have another separate meeting among ourselves. In these separate sessions, we tried to understand and assimilate what was discussed earlier. There was enthusiasm in these 20 families. We thought that we were creating our own common future. But when it came to disposing of the fruits of our efforts, our views were ignored. Subsequently we lost faith in this programme.

The imposition of an external value alienated

the participants in this experiment. Yet, in spite of this feeling of alienation, a great deal of activity was generated in the area and the achievements appeared to be quite impressive. The 20 families managed to produce 1,200-1,500 kg. of paddy per acre that year, whereas the previous yields had been around 500-600 kg. per acre. The two wells came in very handy, as 1972-73 was a period of drought. The village also saw electricity and power tillers for the first time. On the whole, everyone got the impression that the programme was successful and it received wide publicity. The deficit in recovery of bank loans was made up by contributions from urban friends.

Financial and commercial thrust

To expand this programme it was given a formal and legal shape. A Shetkari Mandal (Farmers' Association) was registered as a society with a Board of Management consisting of adivasi cultivators. Kaluram was made its president and SW was appointed the honorary adviser. SW and Kaluram jointly operated the bank account of the organization and SW undertook all the responsibilities of maintaining proper accounts. Letter heads and vouchers were printed in the name of the Shetkari Mandal and its work began with great pomp.

In 1973-74, the Shetkari Mandal extended the scope of its activities to include 120 families, and five more wells were dug. Most of the schemes implemented by the Mandal were on the initiative of SW. One of these schemes was as follows: Every member of the Shetkari Mandal would deposit with

it the money he got from the bank, and whenever he needed money he would take it from the Mandal. Usually, he would spend less than the amount loaned to him by the bank. The remaining amount would be advanced by the Mandal to other cultivators who were not borrowers of the bank. The latter were to return the money advanced to them by the Mandal after they had sold their crop, and the bank would then be repaid the total loan it had advanced.

In fact, the Shetkari Mandal began to perform the function of a mini bank, mediating between the nationalized banks and the small cultivators. In the beginning Kaluram and his friends expressed some reservations about these arbitrary operations of the Shetkari Mandal, but they were told by SW that even those who were not eligible for bank loans because they were too poor to offer acceptable security should benefit from the scheme. After this plausible explanation, Kaluram and his colleagues participated in the mini bank operations of the Shetkari Mandal. However, many members whose bank credit was used for the benefit of the non-members were not informed about this, and in any case would not have understood the complexities involved. Those members who did understand it were not convinced of the merits of the scheme, but kept quiet. Many members and non-members could not or did not return the money they had borrowed from the Mandal and the bulk of the bank loan could not be repaid. The members were then forced to carry a debt burden of 150,000 rupees, a large part of which they themselves had never used.

The Shetkari Mandal then decided to enter

the grass trade, because the big traders in the area were exploiting the adivasis by buying their grass at very low rates. The first year, when only 20 families participated in the scheme, it made a small profit. But, the next year, its scope was suddenly expanded to cover 30 villages. All the families in these villages were persuaded, or sometimes compelled,* to give their grass to the Mandal. The Mandal held on to the grass in anticipation of getting higher prices later. But the big grass traders who used to buy grass direct from the small adivasi cultivators refused to deal with the Mandal. The grass was therefore transported and stored for a long time in Bombay, where it decomposed. Thus the Mandal made a heavy loss and the adivasis could not be paid for their grass, even though the Mandal had taken a bank loan to purchase it. This loan had been diverted to other schemes of the Mandal, such as the digging of wells and building of godowns. The situation in relation to bank loans got further complicated as there was damage to the paddy crop due to an attack of army worm, and only 50 per cent of the bank loans were repaid.

While all this was going on, Kaluram and the other adivasi members of the Mandal were helpless spectators. The transactions were beyond their comprehension. They were uneasy, but were too overawed to protest. Many of the original Bhoomi

* Cartloads of grass being taken to market were forcibly diverted to the purchasing centres of the Mandal by its volunteers.

Sena workers withdrew in disgust, but did not raise their voices in opposition. Kaluram went along with the programmes for some time, though as a passive partner.

In the third year (1974-75), the scope of activities was further widened: 600 people were included in the schemes and more wells were dug, bringing the total number to 19. Out of these, however, only eight yielded water. There was no consultation with any expert about the well digging programme. It was done completely under SW's supervision. The expenditure on each well increased progressively and reached 27,000 rupees for one well.

The recovery of bank loans continued to be very low. At this stage, with financial and other problems mounting, criticism of SW's approach surfaced. A split occurred among the outside workers, while Kaluram and the adivasis were totally disillusioned.

While the burden of bank debts mounted and the cooperation of the adivasis withered away, SW's faith in his approach remained intact. The failures were attributed to natural causes, to market fluctuations and, above all, to the ignorance of the people and their resistance to new ideas. Giving up the larger programme, SW decided to concentrate on a small group of farmers together making up about 30 acres. This time the participants were to abandon totally all discretion and follow the directions of SW to the letter. In return, all their financial needs were to be met.

The elitist approach was taken to its logical conclusion with the participants reduced to puppets. But this experiment also became a complicated financial mess, created mutual suspicion and distrust and failed.

In the meanwhile, the bank became anxious about the safety of its money and issued notices to those who were defaulters in its own books. But, because of the mini bank operations, there was no correspondence between the bank's books and the actual borrowings. There was panic, consternation and accusations of misappropriation against all concerned. Finally, an audit and an inquiry into the Mandal's accounts revealed that while the bank funds had been mismanaged and diverted for unauthorized and uneconomic projects, there was no misappropriation of money. Actual repayment, however, was a different issue.

Kaluram realized his mistakes and admitted in public his share of the responsibility. A public meeting was organized in which people from 30 villages participated. An overwhelming majority voted for ending the programme and in June 1976 SW left the area.

In the four-year period, Bhoomi Sena had all but disappeared and had been replaced by the economic organization of Shetkari Mandal. The original cadres, who had dropped out at various stages, still retained informal contact and had continually urged Kaluram to make a break with SW and return to the path of struggle which had given birth to Bhoomi Sena. While there were disagreements among them, they had kept faith in each other and from

early 1975 had started getting together again to resist the economism of SW. The seeds of Bhoomi Sena's re-emergence had thus been sown long before the formal demise of the ill-conceived elitist intervention.

As for the intervention itself, its characteristics, strengths and weaknesses were not dissimilar to many such paternalistic attempts elsewhere in the country. Its basic weakness was its view of people as mere pawns in the 'development' process.

BACK TO THE STRUGGLE: THE EMERGENCE OF PEOPLE'S POWER

Thus, over a year before the final winding up of the economic programme, the original Bhoomi Sena activists-including Kaluram-had started taking concrete steps to revive the movement. Instead of merely withdrawing from Mandal activities, they asserted themselves by rekindling Bhoomi Sena as a parallel alternative organization and method. Some urban activists who had split from SW due to disagreements on approach now enthusiastically joined the revived Bhoomi Sena.

In early 1975, a small hut was built in Manor and an 'office' started functioning. At first, the nature of the movement remained traditional: each incident of injustice and exploitation was viewed in isolation and action against oppression was fragmented. The work consisted mainly of cutting crops on adivasi lands usurped by the sawkars, legal actions regarding cases of adivasi

lands illegally in the possession of the sawkars, and fighting against atrocities. No new approach had yet crystallized.

Spontaneous actions, however, were taking place in the villages, which were gradually to reshape the movement.

The struggle in Pathagaon was a small beginning. A landlord of this village had managed to transfer illegally into his own name the lands of eight poor adivasis. The cultivators had run away from the village as they were afraid of him. He was himself an adivasi, who had become a local leader during the revolt of 1945-47. Bhoomi Sena confronted him both in the court and outside and succeeded in recovering half the land which had been usurped.

A second incident concerned the beating up of an adivasi cultivator by a government official in the village of Purves. Bhoomi Sena organized a morcha against him. It was an unusual demonstration: each adivasi carried with him a sheet of paper containing his hand impression along with an impression of his sandals; these were delivered to the official and signified the hundreds of 'slaps' received by him. As a result of the mass pressure, the official panicked, went to Purves and apologized to the aggrieved adivasi. Subsequently, the official was transferred.

Many such incidents occurred during this period. Bhoomi Sena kept on struggling along the familiar path.

The struggle in the village of Jankop was the critical turning point in the Bhoomi Sena movement. Jankop is a village near Palghar. It is a fiefdom of one sawkar family, which owns most of the land there. Forced labour and physical beatings were a regular feature of adivasi life; in fact, there was hardly a person in the village who had not been beaten by the sawkar or his hirelings. Fear had driven many families away from the village. 'Sawkar can even beat up the police; he is a super-government' was the general view.

However, there was in this village a defiant old lady who had been fighting the sawkar single-handed over the usurpation of her land. Though the court had decided the case in her favour, she had been unable to take physical possession of the land. As far back as 1966, Kaluram had visited Jankop and the old lady had told him of her problem. But at that time Kaluram did not feel that any action was possible. In November 1975, she again approached Kaluram. He went to Jankop and with a little effort was able to convene a meeting of some of the youths of the village and other neighbours of the lady. He called on the people to unite and help her. He indicated that if they were prepared to fight against injustice, Bhoomi Sena would back them up. But the people did not respond to his appeal. A few days later Kaluram visited Jankop again. This time more young people came to the meeting, but fear prevailed. Sensing this, the old lady said in frustration 'Kaluram, why are you wasting your time with these people? If the sawkar comes to beat me, my own sons will

run away to the hills. I am an old woman, still fighting and being beaten up; but no one is prepared to be on my side. Maybe they should be wearing my bangles'. After these words, the mood of the gathering changed and the young men started to say that if others were ready, they would be prepared to join. The ice was broken; suddenly everyone was ready to act-and it was decided to cut the courageous old lady's crop the following day.

Next morning, the youths came and started cutting the crop. When the sawkar came to know of it, he sent half a dozen Bhaiyas to the field. They started beating one of the supporters of the lady. The youths rushed to protect their friend and, in the skirmish that followed, the Bhaiyas got a beating. Surprised and humiliated, they ran away and went to the sawkar in Palghar. The insolence of the adivasis could not be tolerated by the sawkars as a class and from miles around Bhaiyas and other mercenaries were summoned. Trucks and jeeps transported over 200 lathi-armed* Bhaiyas to Jankop.

In the meanwhile the Jankop youths, anticipating trouble, send word to Bhoomi Sena's office in Manor. Simultaneously they made preparations for the expected battle.

When the Bhaiyas arrived in Jankop they sent a first batch of 50 to 60 armed men to beat up

* A lathi is a bamboo staff or cudgel, a weapon and symbol of hired bullies.

the adivasis. The youth fought fiercely with stones and sling-shots. Unaccustomed to such resistance, the Bhaiyas panicked and ran away, leaving behind their lathis and other weapons. Seeing the unruly retreat, the other Bhaiyas also ran away, burning grass stacks along the way. They were unwilling to risk their lives for the few rupees which they were paid.

Back in Palghar, the sawkars registered a police complaint against the adivasis for assault and arson. Bhoomi Sena, in the meanwhile, succeeded in registering a counter complaint in Palghar—despite the sawkars' efforts to prevent them physically from approaching the police station. In Jankop, Bhoomi Sena cadres made certain that the police investigation report was not distorted in the sawkars' favour. The police involvement had no net effect: none of the sawkars or Bhaiyas was arrested of course, while Bhoomi Sena's presence prevented the arrest of the adivasis.

After the incident, the adivasis of Jankop were harassed by the sawkars when they came to Palghar for work, marketing, etc. But the adivasis had overcome their fear as a result of their successful battle and they fought back: they declared the bonded labourers of the Jankop sawkar free, they stopped domestic work in the sarkar's residence in Palghar, and they boycotted work in his fields at Jankop. Thus, the sawkar was forced to import labour from other villages, paying two or three times the usual wage. And, at the same time, Bhoomi Sena succeeded in winning for the old lady the legal possession of her land.

Instead of remaining a sporadic incident, the Jankop action generated a protracted struggle. The people themselves decided the strategy, and at each stage Bhoomi Sena was kept informed and its assistance was obtained whenever necessary. This was Bhoomi Sena's first major opportunity to learn from a developing struggle-and from the people. The knowledge that the sawkars could be taught a lesson raised people's self-confidence. This was the first realization of the strength of people's power in confrontation with sawkar power. They also learnt that the fight against the sawkars would be a long struggle. This new awareness of the people at the village level had the effect of raising the consciousness of the whole movement.

At about the same time as the Jankop action, a different kind of struggle began in Purves village. Two hundred acres of land belonging to a Parsee sawkar were taken over by the Government under the land ceiling act for redistribution-but the land was divided amongst the relatives of the local political leaders after first registering them as landless. A few adivasis under the control of these sawkars were also given some acres in the redistribution, but the tenants who had actually been cultivators of this land for generations did not get an inch. The young men of Purves approached Bhoomi Sena and together they met the local official, who refused to do anything to rectify the matter. Having learnt the power of unity in previous action, the youth warned him that he would not be allowed to enter the village to enforce this redistribution of land. At the same time,

the Bhoomi Sena cadres began to organize resistance to this unjust act. The Maharashtra Times, a Marathi daily from Bombay, published a letter which was signed by six local cadres protesting against the betrayal of the cultivators. The sawkar and the local political leaders threatened these six with legal action for defamation. But a few days later, responding to the mounting pressure, the district collector came to Purves and discussed the issue with the adivasis and Bhoomi Sena cadres. The adivasis demanded that the land which had been distributed to the relatives of the local political leaders should be given to the actual adivasi cultivators. The collector conceded the demand and the previous allocation was cancelled.

In the course of this struggle, the oppressed adivasis saw that their confrontation was not with an individual sawkar but with the whole class. The sawkars' attempt to divide the adivasis failed, as even those who had been given some land refused to side with them against their brothers. Bhoomi Sena led this struggle successfully because it adhered to a continuous process of learning from the spontaneous actions of the people.

While a new Bhoomi Sena was gradually being moulded through such spontaneous people's struggles, there was a major political change in the country. In June 1975, a national emergency was declared by the Government of India, giving unprecedented powers to the State. It was accompanied by the formulation of many programmes with populist overtones. At the same time, a large number of political activists of various shades were arrested

and it was feared that Bhoomi Sena's activities against the sawkars and the local official machinery might land Kaluram and his colleagues in jail too. But these fears were unfounded and they were not disturbed. On the contrary, the Government's 20-point programme appeared to have a number of planks that concerned the oppressed, which could help Bhoomi Sena to mobilize the people around these issues.

The confluence of the developing internal struggles and the new situation created by the external changes set the state for a new phase in Bhoomi Sena's development. While struggles at the village level intensified, the vanguard launched a more systematic programme of (a) learning from the struggles, (b) wider sharing of experience, and (c) large-scale investigation of the socio-economic situation, particularly those elements of it with a bearing on the implementation of the 20-point programme.

The shibirs

By the beginning of 1976, successful struggles like Jankop and Purves had given new life to Bhoomi Sena. Also, Kaluram and other friends had almost come out of the shadow of SW and the Shetkari Mandal. The time was ripe for fresh initiatives on a wider scale. There was a new mood in the area and Bhoomi Sena quickly responded to it.

It had become obvious that the problems of the different villages had much in common and were the products of the social reality. Bhoomi Sena

and the people also recognized that isolated villages could not fight alone, even if the people showed a great deal of courage. The problem of one village had to be perceived as the problem of all. A prerequisite for this unity was a greater degree of shared awareness.

The response to this need was the creation of a new interaction process, the shibir, or camp for collective reflection. The objective of the shibir was to systematize the process of learning from experience. It was the converse of the usual method of delivering knowledge to the people by lecturing to them.

The preparation for the shibir took almost two months. The cadres toured the villages and listened to the people-their problems and their perception of the problems. The cadres began to systematize their own experience, formulated issues for the shibir and prepared notes on each issue to organize their own thoughts.

In February 1976, the shibir was organized in Bada-Vadkona. About 25 youths from ten villages participated in the three-day camp. The shibir started with a session devoted to the history of people's struggles in the area and the emergence of Bhoomi Sena out of these struggles. Then the group heard about the struggles going on in Jankop and Purves from the youth of these villages and tried to give a meaning to them. Along with this, they examined the problems of the landless labourers and small farmers by individually narrating and collectively discussing their own experiences.

Through this process they arrived at an understanding of the root causes of these problems.

In addition, the 20-point programme was analysed in great detail. The group came to the conclusion that not more than two or three of the 20 points had a bearing on their problems, although the entire programme was supposed to be aimed at the deprived in society.

Immediately after the first shibir, a second one was held at Virla in March 1976. Fifty people participated. But this time there had not been sufficient prior investigation or planning of topics for discussion. In the shibir itself, the Bhoomi Sena cadres, feeling that they now understood the issues based on the experience of the first shibir, shifted the emphasis from listening to narrating and from searching and understanding to explaining. Because of this, while the people listened quietly, the level of interest was low and neither the participants nor the cadres felt satisfied with the process. This shibir also failed to stimulate as much action as the first. But a lesson was learnt by Bhoomi Sena, and the errors were corrected in the subsequent shibirs. In fact, the methodology has continued to evolve.

The shibirs had the effect of raising the understanding of the participants to a higher level. They recognized the protracted nature of the struggle and therefore the need for unity on a sustained basis. The first two shibirs, however, did not discuss or prescribe any specific form of organization, leaving it to the people's own initiative and ingenuity.

On returning to their villages, the participants in a shibir would hold intensive discussions with others on the issues examined at the shibir. By reflecting on these issues, the people came to realize that the village is not a unit-it contains two worlds, that of the sawkars and that of the poor-and that unity among the poor is imperative.

In some villages, there was the further realization that to sustain the struggle a Manor-based organization alone is not enough; the poor also need an organization in their own village. With this awareness, a few villages responded by creating a forum for the poor-the Tarun Mandal (Youth League). Bhoomi Sena was again kept informed but the initiative was at the village level and the evolution of the Tarun Mandal was an autonomous process without central direction.

As the news spread, Tarun Mandals began to spring up in many villages-although a number closed down as quickly as they were started. An issue which became popular was the fight against the consumption of daru (alcohol), in which women also took an active interest. But the campaign could not be sustained on the purely emotional and moral plane and it collapsed, taking the Tarun Mandal with it in many places. But, in some villages, the Tarun Mandals analysed the economic forces behind the use of alcohol, and saw the sawkars' vested interest in maintaining it to perpetuate exploitation.

The village of Bagzari provides a good example of the evolution of a Tarun Mandal. A few of the

youth from the village participated in the February and March 1976 shibirs. After discussions in the village, a Tarun Mandal was formed in April 1976. The first issue taken up was the fight against daru, which failed after some initial success. The Tarun Mandal analysed the causes in great depth. In the process, their Friday meetings became an institution and other issues were also discussed.

The first major issues taken up were the existence of the bonded labour system in the village and the payment of minimum wages. A survey showed that there were ten bonded labourers. The Tarun Mandal wrote to the local official about it, but there was no action. They decided, therefore, to act on their own. The Tarun Mandal informed the village sarpanch (head man), on behalf of the bonded labourers, that they were now free under the law and that this fact should be declared publicly; they also demanded that the minimum wages law should be enforced. Seeing no alternative, the sarpanch agreed to declare the bonded labourers free, but refused to act on the demand regarding minimum wages. After a brief strike by the adivasis the sarpanch took the initiative to convene a meeting of the sawkars. There was some argument, but the issue of bonded labourers was completely settled. On minimum wages, however, while a majority of the sawkars agreed because it was the peak season, a few held out. The adivasis boycotted these recalcitrant sawkars.

The next issues that arose in the Bagzari Tarun Mandal were the creation of a common fund and the problem of finances required for marriage,

now that the sawkars would not give the adivasis loans which were linked to the bonded labour system.

Having received substantially higher wages during the major part of the season, the adivasis had for the first time some savings and could think of contributing to a collective contingency fund. It was decided that each person would contribute one rupee and one kilogram of paddy per month. Many paid in cash or kind for the whole year at one time. In the first month, 350 rupees and 1,200 kg. of paddy were collected. The Tarun Mandal also decided on the manner of utilization of the fund, and a committee office was constituted to manage it.

The next issue to be taken up was marriage expenses. The group realized that it would not be possible to spend money on the same scale as before and a new system of marriage would have to be thought of. They analysed the expenditure pattern of three or four marriages and discovered, to their surprise, that a large part of the expenditure was not on themselves but on the sawkars. It was a strange system: borrow money from the sawkars, spend it on buying materials from his shop, feed him with that food and then, as soon as the marriage is over, start working for him as bonded labourers, often for life. When the Tarun Mandal put these facts before the people, one old man exclaimed: 'How can this be called

our marriage; this is sawkar's wedding.' It was unanimously decided to eliminate all items which concerned the sawkars and to reduce the expenditure on the rest of the ceremony.

However, as the bride and groom could come from different villages, it was realized that there would have to be Tarun Mandals in other villages which also thought along these lines. The Bagzari Tarun Mandal consulted Bhoomi Sena which took the initiative in arranging a match between a girl from Bagzari and a Tarun Mandal member from the village of Nawada. Both the Tarun Mandals helped out in kind and with money. All the poor in the two villages participated in the ceremony with great enthusiasm. The couple-who would not become bonded labourers now-took the oath of never becoming slaves again, of unity with the poor, and of equality between husband and wife with full respect for each other. A new chapter was thus opened in the marriage ceremony and relationship.

In the meanwhile, in Bagzari, the victory in the minimum wages struggle was having repercussions. The sawkars refused to give seed loans and khauti (consumption loan) to the small farmers. This threatened to create a split between the landless and the small farmers. The Tarun Mandal could arrange for the seed loan out of its fund, but khauti was beyond its means. This was a crisis. Finally, Bhoomi Sena helped in arranging a loan from a Christian mission. The morale and the unity of the Tarun Mandal was maintained. The loan was returned at the end of the season. The next year, the Tarun Mandal collected more paddy for the collective fund and planned to become self-reliant in two years.

An interesting development at this time was the leading role taken by women in a number of villages. The women of Nawada provide an example. A bonded labourer was freed by the Tarun Mandal. This provoked the sawkar to fire at him. Later, fearing legal consequences, the sawkar apologized and tried to hush up the affair by paying 500 rupees to some of the older adivasi men. But the women, who were members of the Tarun Mandal, came to know of it. They protested and made the old men pay back the money, and eventually the sawkar was arrested.

The Tarun Mandal evolved differently in different villages and a diversity of experience accumulated. Bhoomi Sena learnt from these real life struggles and these experiences began to be shared through the shibirs.

The movement spreads-and deepens

Struggles for freeing bonded labour and obtaining minimum wages continued at the village level. In many villages, Tarun Mandals were giving an organizational form to the unity of the adivasis. Shibirs were deepening and spreading the awareness of the adivasis. The core area of Bhoomi Sena's activity was being consolidated. Bhoomi Sena could now widen its horizons.

The process of expansion was systematic and based on detailed investigation. Though Bhoomi Sena was known in the entire Junglepatti area of 100 villages and more, it had so far concentrated its attention on about 30 villages. In June 1976, the vanguard launched an intensive survey of these 30 villages, and also of an additional 40 villages, which was carried out over a period of three months.

The main items of information collected were (a) identification of bonded labourers*, (b) actual wages paid to agricultural workers, and (c) the situation of the small cultivators. Bhoomi Sena cadres went to each village, explained the objectives of the survey, and mobilized the people to collect authentic information.

The survey revealed the existence of 375 bonded labourers. This information was supplied to the local officials for immediate action. From each village, a number of cases of violation of the minimum wages law were also collected and a total of 1,100 applications were filed with the Government to demonstrate the widespread nature of the abuse. However, no action was taken by the officials concerned. So armed with the facts, Bhoomi Sena mobilised the people to implement the law themselves. All the bonded labourers declared themselves free and the struggle for minimum wages began. Forty more villages thus became actively involved in the movement.

A new opportunity for expansion came with the unexpectedly called national elections of February 1977, Bhoomi Sena felt that the election campaign should be utilised by the people, rather than the people being utilised by the parties during the elections. It agreed to support those candidates who had participated in people's struggles and campaigned in the entire Junglepatti area over 100 villages, in the process entering about 40 for the first time.

The cadres covered every village, met the people in small groups, and discussed the people's

*In spite of all official claims to the contrary, the system still continued to operate in the area.

problems and their relation to the political situation. They emphasized that problems could only be solved by the people's own actions. Elections were not very important; unity was important. The 'new' areas came to know of Bhoomi Sena's activities and of the struggles which were taking place in the 'old' area of the movement, and Bhoomi Sena came to understand the problems of the 'new' areas. The cadres spoke to the youth and suggested that, like the youth elsewhere, they might also start action to tackle their problems.

To supplement the village-level campaigning, a large election meeting was organized in Bhasvan. Thousands of adivasis, including many women, came on foot from a 15-mile radius. The meeting demonstrated to the oppressed the strength of their numbers and their unity. The election campaign thus became a part of the struggle of the adivasis.

In Junglepatti, the vote was a demonstration of confidence in Bhoomi Sena. People participated in large numbers and gave overwhelming support to the Bhoomi Sena backed candidates, who won the elections.

Immediately after the elections, Bhoomi Sena started work in the 'new' areas. A shibir was organized in Variwadi in April 1977. It was agreed that action should be initiated to find employment during the lean period over the next two months. In eight days, the participants made a survey of the number of people requiring work and of possible works that could be started under the Employment Guarantee Scheme* that would give maximum benefit to the poor. With this information, a delegation of 30 people from different villages met the local officials and requested

them to start the works. The officials, however, took no action and Bhoomi Sena organized a morcha to back up its demand. A small delegation went into the office to talk again to the officials, who this time agreed to start work in 25 locations immediately.**

The struggle for minimum wages also spread to the 'new' areas. Here, Bhoomi Sena came into conflict with Shiv Sena (a regional rightist party), which was backed by the local sawkars. They tried to intimidate Bhoomi Sena workers and supporters and one evening attempted to attack Kaluram while he was in an adivasi hut in the area. A number of people were injured, but Kaluram was protected by the adivasis. Bhoomi Sena took the issue to the people and discussed with them the real cause of the attack on Kaluram. A few days later a huge morcha was organized and a mass protest meeting held in Afala was attended by over 6,000 people. It was completely peaceful and orderly. Shiv Sena's attempt to organize a counter morcha was a failure and their meeting was attended by only 300 to 400 people.

*The state of Maharashtra operates a scheme (soon to become a law) under which, if 25 persons in a village) file a request, the Government is obliged to find work for them within 15 days within a three-mile radius of the village. The operation of the scheme is not uniformly satisfactory, but Maharashtra is a pioneer in this respect.

**When the delegation came out of the office, Kaluram addressed the gathering - but he neglected to tell the people what exactly had transpired. This was pointed out to him by the people and he admitted his mistake.

The struggle in the 'new' areas soon led to the formation of Tarun Mandals in many of the villages. These are providing new lessons: they are widening the base of unity of the oppressed and are creating people's organs to deal with justice, education, economic activities, etc.

The Tarun Mandal of Chamoli added yet another dimension to the movement. Traditionally, the panchayat (village council), which was dominated by the sawkars, used to hear and settle village disputes. But the system of justice when it related to the poor was peculiar: the sarpanch used to go to the home of each party to the dispute and beat him up; in addition, they were fined. The Tarun Mandal decided to boycott the panchayat and set up their own court to settle their mutual disputes. When the panchayat leaders came to know of this, they objected on the ground that the Government had not entrusted this task to the Tarun Mandal. The reply came back that neither had the Government appointed the sarpanch as a judge nor approved his method of 'justice'.

The new method of justice of the people's court has eliminated the sawkars' favourite punitive actions-beatings and fines. A person found 'guilty' of an offence now had to contribute his labour either to a very poor family or for a collective purpose.

In Bhasvan, the Tarun Mandal established a school for the young adivasi children with the help of the 'Socialist Women's Organization'. The idea is not merely to provide conventional education for the adivasi children, who are otherwise prevented by the non-advasis from attending school, but the new school is also an attempt to base education on experience. The emphasis

is on cooperative work and integration of the school with the community. Thus, both the content and the method of education being designed are different.

The Bhasvan Tarun Mandal has also pioneered in another direction-production. Normally, during the lean season, people go out of the village to find work. However, in the 1977-78 lean season 80 families planted vegetables on the bank of the river. While the plots were individual, the adivasis helped each other in various operations. The income from this activity was sufficient to obviate the need to migrate from the village. This not only lent a continuity to the adivasis' existence, which in turn helped the continuous functioning of the Tarun Mandal, but it also strengthened their bargaining position for minimum wages.

Observing the Bhasvan experiment, adivasis in other villages along the river have also made a small beginning in this direction. Moreover, the united strength of the poor expressed through the Tarun Mandal has destroyed another exploitative practice: that of the village common property being used exclusively by the rich.

Thus the Tarun Mandals are becoming the people's organs for struggle and innovation. Bhoomi Sena constantly encourages the Tarun Mandals to take initiatives and considers them schools for its own learning; they are also the centres of investigation on which Bhoomi Sena relies for understanding social reality at the village level.

State and panchayat elections and the aftermath.

In February 1978, elections were held to the

Maharashtra State Assembly. Palghar and neighbouring taluqs were reserved constituencies for the adivasis. There was pressure from outside on Kaluram to contest the election but Bhoomi Sena holding the view that people's action is more important than elections and assemblies, decided that Kaluram's time was too valuable to be wasted on assembly sessions. However, it suggested another adivasi candidate, a sympathizer of the movement, and worked actively for his election. The candidate won by a large margin and Bhoomi Sena's popularity with the people was again demonstrated.

Elections to the panchayats immediately followed the assembly elections. Although they had no illusions regarding the utility of these forums to them, the people decided to contest the elections in order to assert their power and deny these centres of formal power to the sawkars. Candidates supported by the Tarun Mandals won in every panchayat, including those which were supposed to have been the strongholds of sawkars and such parties as Shiv Sena. The State assembly election was considered neither a gain nor a loss from the point of view of the movement. The panchayat elections, however, presented a more complex balance sheet: the gains were real, but diffuse and mainly psychological; but the losses, as in the case of the defection of the cadre in Bagzari, were concrete and immediate. These considerations produced in the Bhoomi Sena cadres a feeling of lull and frustration. But this was not the first time that such a fluctuation in the mood of the cadres had been experienced. In the words of a cadre, the causes of the frustration may be expressed thus:

The same issues have to be fought for again

and again. It seems we are not moving forward. Even after a battle for minimum wages had been won, the situation reverts to the old status quo. If minimum wages are achieved by the landless labourers, the problem of khauti crops up. Tarun Mandals start, but then collapse again. In the elections at times the sawkars defeat us, not by votes, but by corrupting one of our own."

However, Bhoomi Sena has with experience evolved a method of combating such frustrations which often overcome individual cadres. The method is that of intensive collective reflections, analysis and fresh action—a periodic shibir for the vanguard group itself. Individual subjective perception is replaced by collective objective assessment of reality.

The objective analysis reveals the forces which are pulling the situation backwards; it also helps to discover the forces pushing towards change. To understand the forces which would help the oppressed to break out of stagnation and to contribute to the release of these forces is seen as the way to overcome the periodic frustrations.

The self-clarification shibirs have been invaluable and have become an integral part of Bhoomi Sena's operations. But, in overcoming feeling of frustration, they are increasingly becoming secondary to the more powerful impulses provided by the spontaneous actions of the masses on an ever rising plane and at an accelerated pace.

6 THE METHOD OF BHOOMI SENA

The foregoing chapters have presented the back-

ground and evolution of the Bhoomi Sena movement, and some attempts to capture the perceptions and understanding of the Bhoomi Sena activists and cadres about their struggle. It is apparent that, through its experience, Bhoomi Sena has developed a distinctive method of mobilization, raising of mass consciousness and organization, in which these three elements are dialectically linked with each other, and which is in sharp contrast to the methods of previous interventions in the area. An understanding of this method and its evolution is attempted in the following pages.

MOBILIZATION

As opposed to a spontaneous eruption of mass action, mobilization is a conscious act by a leadership to mobilize the masses for action. Mobilization of the adivasis has been and is seen to be a central task of Bhoomi Sena as the vanguard group* of the movement.

The vanguard group (the centre) initiated the process of mobilization with the consciousness that militant mass action was necessary - a consciousness derived from earlier involvements in fighting individual cases of oppression and experience with the satyagraha movement. There was no grand design, no theory of the movement.

There was, however, the appreciation that the decision to act must be a decision of the people with a knowledge of the facts and after collective deliberation based on these facts.

The term Bhoomi Sena is used either to denote the movement or the vanguard group. When the context does not make this clear, the vanguard group is specifically referred to.

The people must act to resolve their own problems.

With this consciousness Bhoomi Sena was born. The vanguard group undertook a systematic investigation of the usurpation of adivasi land by the sawkars. From the beginning, the people were involved in the investigations. The facts were then placed before the people in small groups and large, and discussions were initiated. Through a series of deliberations, the people decided to act and seized harvests and land.

From the people's of view they got mobilized, not for mere agitation but for action: not through mere arousal but through informed deliberation. The deliberation was, however, for immediate action only-without any conception of the task beyond this. There was not enough consciousness yet. And there was no organization to give continuity to the movement.

These gaps were critical, and resulted in the following:

1. The people who got land were not necessarily those who had initiated the movement for seizure of land, with the consciousness developed through investigation and discussion. Having no organic identity with the movement, many of them even turned against Bhoomi Sena after getting their land and not knowing what to do with it.
2. In some villages, ad hoc collective grain funds were created. But these were mismanaged some even misappropriated, and the scheme collapsed.
3. The vacuum caused by lack of consciousness

and organization was finally filled by benevolent external paternalism-SW's technology backed by bank money offered an easy and attractive alternative to going back to the sawkars.

In was only after the failure of SW's intervention became clear to the people, and its lesson was learnt by Bhoomi Sena, that a fresh initiative could again be taken. The vanguard group realized, however, that for this the people had to be conscientized. Mobilization would continue but a systematic process of conscientization had to be initiated, so that mobilization could be raised to a higher level with a clearer internal sense of direction.

CONSCIENTIZATION

As defined by Paulo Freire, conscientization is a process 'in which men, not as recipients, but as knowing subjects, achieve a deepening awareness both of the sociological reality which shapes their lives and of their capacity to transform that reality'.*

As opposed to spontaneous (unconscious) action of the mass mobilized by a conscious vanguard, conscientization is a process that generated consciousness in the masses themselves.

*Cultural Action for Freedom. Penguin, 1972. Conscientization includes awareness of the 'physical reality' and the capacity of man to transform this reality. It is not clear if the Friirian concept of sociological reality includes the man-nature relationship, which interacts with the man-man relationship.

Spontaneous action

The first significant step in conscientization was the incident in Jankop in 1975 in which the people experienced their power in confrontation with the feared Bhaiyas, who were to the adivasis the real power in Palghar, coercive and answerable to none. Their capacity to transform reality dawned on the adivasis.

This awareness came, however, through spontaneous action, and remained to be conscientized through systematic reflection.

Collective reflection

Systematic attempts at conscientization started with the shibirs of 1976. The technique of the shibirs developed through experience. In the first shibir, people recounted experiences individually and reflected upon their meaning collectively. The process heightened the awareness of the participants and was satisfying to all, and the adivasis were stimulated to action.

Feeling, perhaps, that the issues were now clear and had only to be placed before the people, the process was reversed in the second shibir. The consensus reached in the first shibir was presented to the participants in the second. The people heard, perhaps even agreed, but did not reflect, and were not stimulated to action as much as after the first shibir. In the post-shibir analysis, the vanguard group learnt that the method was wrong. The recounting of the experience of each new participant in the process, followed by a creative collective reflection, in which consensus reached in other deliberations could only be one useful input, was a necessary

sequence for real conscientization. The process had to be re-creative each time, maturing to a stage when it could creatively absorb the output of other shibirs and other experiences.

Thus the technique of the shibir matured, and generated a process of conscientization.**

The lesson learnt by Bhoomi Sena on the process of learning is pertinent for those who wish to learn from Bhoomi Sena or for that matter, from any other 'Tachai'.

From perception to conception

In the development of knowledge, a dialectical movement between perception and conception is observed in Bhoomi Sena. The basis of knowledge (conscientization) for the adivasis is their experience from daily life and from their initiatives in improving this life, i.e. their political and economic struggle. The initial perception of this experience which is the subjective reality for the individual adivasis, is spontaneous. Subjective reality is transformed into objective reality through its universalization. An essential first step in this transition is the assertion of individual perceptions in a collective forum (e.g. shibirs and weekly meetings of Tarun Mandala). The second step is integration of the perceptions into a conception. The basis is now laid for more sensitive perception of subsequent social experiences, to be integrated at a higher

**While the shibirs have been the most systematic method used for conscientization, Bhoomi Sena has also utilised whatever opportunities presented themselves to increase mass awareness, e.g. participation in the 1977 parliamentary elections.

level of conceptualization in further collective deliberations. In this way, through the method of praxis - from experience to synthesis, knowledge and action to transform reality, and thereafter to a higher level of experience and a higher order synthesis and knowledge for further action - the consciousness of the adivasis is developing.

Through this conscientization process, the conceptualization of the adivasis about their struggle is unfolding. This in turn is shaping and reshaping the very method of the struggle.

Assertion

One major theme in the emerging conceptualization is assertion. The people must assert themselves. The struggle is to create conditions in which the people can assert collectively.

This struggle is viewed as fundamentally political - a struggle to establish people's power. But what you fight for, you fight with. If you do not assert your power, you do not get the power to assert. The concept of unity of ends and means is crucial for understanding the Bhoomi Sena method.

A major element in the concept of assertion is self-reliance, a consciousness that has emerged out of the struggle and was not manifest in the beginning. Having emerged as a necessity to carry out the struggle for people's power, it is now a value. Self-reliance, now, is being asserted, and is a material force which is influencing the course of the struggle.

To Bhoomi Sena, self-reliance in simplest term means:

1. 'We shall take decisions'.
2. 'We shall take outside help only to raise our own capabilities'.

Thus self-reliance for Bhoomi Sena is not an autarky, either physical or intellectual. Specifically, the crucial role of middle-class activists in the process of conscientization at this stage of Bhoomi Sena's development is recognised.

In Bhoomi Sena's assertion that 'we shall decide' lies also the consciousness that 'we must therefore raise our analytical ability'. For this reason, outsiders are not welcome to come 'with readymade solutions and advice' not merely to systematize their experiences, but to 'help us think about our problems on our own'.

In their assertion of self-reliance, the adivasis are yet to show significant concern for the development of productive forces in the economic space they are gaining through their political struggle. Discussions indicate that the traumatic experience with the initial economism phase had made the adivasis averse to taking serious economic initiatives again, at least for the time being. It appears that this experience has made the adivasis withdraw from productive initiatives, rather than spurring them to assert their power to develop the productive forces in their own self-reliant manner.

This observation was presented to the Bhoomi Sena cadres in the final dialogue in August 1978. We were told that Bhoomi Sena has indeed been preoccupied with the political struggle and has not seriously reflected upon the question of development of the productive forces. While the necess-

ity to increase economic power to sustain the political struggle is recognised, the question could be premature, the cadres said, until the urge to increase production is generated in the consciousness of the adivasis themselves and some spontaneous initiatives in this direction are taken. The collective cultivation of paddy in Variwadi in the 1978 season may be the first small step towards integrating production with political struggle. At the moment they perhaps see the production relations as too exploitative to offer incentive for greater productive effort on their part - they have remained dependent on the sawkars for consumption and input loans even if they have regained their land, and through this dependence considerable appropriation of surplus product by the sawkars has still been taking place.

Spontaneity

Along with assertion, another major theme in the emerging conceptualization of the Bhoomi Sena movement is the liberation of spontaneity - the prime source of creativity - in people's action, and its qualitative development through struggle and conscientization. In accordance with the concept of unity of ends and means, the liberation of spontaneity is not attainable only as an end product of the struggle, but requires its continuous release in the process of struggle itself. People's initiatives cannot be liberated unless they are activated to assist themselves and know their own tendencies and direction, confronting the barriers to their fuller expression against which the struggle will then be directed. In the course of the struggle which will thus unfold, people's initiatives will become richer in quality and potentials, and will develop strength to assert and to resist further encroachment on their

liberty.

In the qualitative development of spontaneity to be discussed in depth later, conscientization provides a key link. Through this process of collective reflection, not only are experiences of individual (at the group or village level) spontaneous initiatives synthesized conceptually; lessons from such experiences are also collectively absorbed, to enrich subsequent individual initiatives over a wider area. In this way, successful initiatives in one village tend to be re-created in others, while lessons from unsuccessful initiatives are learnt by all.

Conscientization of the vanguard group

The vanguard group has its own conscientization process, which seems to have been institutionalized in their periodic review sessions. In these sessions which go on for two to three days, the group engages in synthesizing the experience of the movement, lessons to be learnt from spontaneous action at the village level, self-criticism and reflection. In this manner the vanguard group advances its own consciousness.

ORGANIZATION

As opposed to spontaneous action of mobilized and conscious people, organization - the creation of organs - provides a continuing mechanism for action through collective decision and for reviewing them.

The centre

In Bhoomi Sena, the vanguard group does not organize the people. It believes that the people should

organize themselves. But it is also convinced that mobilization by itself does not achieve much sustained gain, unless it is followed by organization. 'From mobilization to organization' is therefore a slogan emphasized in every shibir. But the organization will be formed by the people's own will and initiative, and in the village, where the people are. If people have indeed been conscientized, they will form their own organization. The vanguard group's task in the development of organization does not go beyond mobilization and initiating conscientization processes.

While the centre does not organise the people, its own method of functioning provides an image for the people's organisations. It has no constitution and no office-bearers. The office in the town of Manor is itself a hut, no different from most adivasi houses. This open office is a home for the adivasis. They do not hesitate to enter it. On the office day every Saturday there is a steady stream of adivasis who come to their organisation, Bhoomi Sena, with their problems, both individual and collective. These are usually grievances against the sawkars and the state administration. This is one method by which the vanguard group is kept in constant and direct touch with the problems that agitate the minds of the people. On Saturday evenings, the vanguard group has its weekly meeting. These meetings, like many others, are not exclusive: other adivasis who happen to be there also join the deliberations. Through the open office and the open meeting the centre keeps an organic link with the people with no exclusivity that might separate it from them.

The centre is an organ. Therefore, it is an organisation - but with a difference.

Tarun Mandals

Tarun Mandals are the organs which the adivasis are creating in the villages. These are their assemblies, established to consolidate a collective solidarity that has already been experienced in spontaneous action. The role of the Tarun Mandal is to provide a systematic forum for deliberation about collective tasks, to organize such tasks, and to review experience.

The Tarun Mandals hold meetings once every week. Their activities include negotiating with and confronting the sawkars in the villagen as the need arises on issues of bondage, minimum wages, and other conditions of work; managing collective savings funds and advancing khauti to the more distressed among the adivasis; undertaking activities like mutual aid in production and joint farming; obtaining and managing bank loans for cultivation purposes; and more recently, setting up people's courts and people's schools.

In the Bhoomi Sena movement, mobilization and conscientization generally precede voluntary decisions to form an organisation at the village level. Hence there is alag in the Birth of Tarun Mandalas. The movement has mobilized many more villages than have organized into Tarun Mandals.

Once born, a Tarun Mandal grows with a life of its own - like an organic cell of a body that is the Bhoomi Sena movement. It is interlinked with other Tarun Mandals through participation in the movement and in shibir, and through direct exchanges. It learns from its own experience, from other Tarun Mandals, and from the centre. But it is not a local branch of Bhoomi Sena; it is fully autonomous and free to move on it's own.

The relation between the centre and the Tarun Mandal is in fact informal. It has evolved naturally through participation in the struggle together, and no necessity for any formal constitution or accountability has as yet been felt. The cadres of Bhoomi Sena are not formal representatives of the Tarun Mandals and most of them having been in the movement before the formation of Tarun Mandals, do not come from any of them.

Although informal, the relationship is significant and gives vitality to the movement. As we have described, the vanguard group maintains direct and intimate contact with the people. The Tarun Mandal is the other leg in this interfacing. The centre and the Tarun Mandals are closely linked through a continuous two-way flow of information. Issues are formulated out of this free communication between the people and Bhoomi Sena, both direct and through the Tarun Mandals. As in the case of Jankop, Perves and Bhasvan, actions evolved and tried at the village level have later become conscious strategies of the movement.

THE DIALECTICAL DEVELOPMENT OF SPONTANEITY: A SYNTHESIS OF THE BHOOMI SENA METHOD

As already mentioned, the liberation and development of spontaneity is a major theme in the Bhoomi Sena movement. Spontaneity has different levels. Spontaneity, like all concepts in dialectical logic, has no absolute meaning, and may be defined only in relation to its opposite with which it constitutes a unity. This unity grows and at some point changes in quality. Spontaneity then acquires a new definition, in relation to a new opposite, together constituting unity of a higher

order. This process continues.

The Bhoomi Sena method - from mobilization through conscientization to organization - reveals and inner logic that integrates the three essential elements in it in such a development of spontaneity in human action.

Initially, spontaneity is primordial, unconscious itself and unmobilized by any conscious force. Spontaneity at this stage is the opposite of mobilization. But it can still assert, through eruption. This is unmobilized assertion.

When a conscious force (e.g. a party or vanguard group) mobilizes unconscious masses, spontaneity changes quality. The masses are now mobilized for issues conceived by an external conscious force. But, once mobilized, they may still act spontaneously, in manner and directions beyond the designs of the force that mobilizes them. Such spontaneous action may not be conscious. Spontaneity is now the opposite not of mobilization, which it has absorbed, but of conscientization. Spontaneity again asserts, unconscious, but raised to a higher level by its interaction with a conscious mobilizing force.

The process of conscientization makes the masses conscious. Mobilized and conscious masses may now have an agreed design evolved through consensus; but they may still act beyond the design with no mechanism for changing the consensus. Such mobilized and conscientized spontaneity - spontaneity of a still higher level - is the opposite of organisation.

When conscientization leads to organization, the masses will act consciously and in an organised

manner in accordance with their collective decisions. But they may still go beyond an (external) central design. Spontaneity - mobilized, conscious and organised - is now at a higher level of development with centralism as its opposite. This is the stage of self-management. If such spontaneity ever absorbs its opposite, i.e. centralism, then both are transcended.*

The sequences in the dialectical development of spontaneity (and its opposite) are then as follows:

Spontaneity	Unites with and opposes
1. Primordial (eruption)	Mobilization
2. Mobilised, unconscious	Conscientization
3. Mobilized, conscious	Organisation
4. Mobilized, conscious and organised (self management)	Centralization

The stages are, of course not mutually exclusive but can interpenetrate and mutually reinforce each other. This can be seen in Bhoomi Sena where, for example, organisation (of Tarun Mandals) has taken place with different degrees of conscientization, and the latter has continued * Self-management (the highest stage of spontaneity) and its opposite, centralism, together constitute a unity that may be called deomocratic centralism. In some usage of the term democratic centralism, the emphasis is on centralism which is democratic. This may be contrasted with centralist deomocracy, with the emphasis on democracy which is centralised. Which of the two prevails depends on which aspect of the contradiction is the dominant one. If ever both democracy and centralism are transcended, then man is non-alienated.

after the organs have been created, providing an institutionalized forum for conscientization to continue. However, in extreme case, where Tarun Mandals have been created after mobilization only without any conscientization, a forward momentum to the process has not come easily, and such Tarun Mandals have been seen even to collapse. This indicates that, while a lower and higher stage can coexist and may give greater forward momentum to the process of development of spontaneity than a strictly one-stage-at-time sequence, a premature imposition of a higher stage can be counterproductive.

The effort of Bhoomi Sena is to develop spontaneity into a mobilized, conscious and organised people's power. In the process, Bhoomi Sena is creating its own opposite - countervailing power against Bhoomi Sena itself is being developed as a consciousness and culture and institutionalised in the Tarun Mandals, perhaps eventually to become a federation of Tarun Mandals. If this process can indeed continue and mature, Bhoomi Sena may see its own image in the very countervailing power it creates against itself, in which it may thus find its highest fulfilment.

While this trend is visible, opposite tendencies also exist, such as degeneration of cadres, negative tendencies inherent in the very expansion of the movement, and the pull of an ideologically adverse environment. In view of these tendencies, the course of Bhoomi Sena's struggle for people's power - notwithstanding the innovative character of its method - remains uncertain. This course will also be determined by the dialectics of the objective conditions in Bhoomi Sena and in the broader reality that encompasses it, to which we now turn.

7 BHOOMI SENA WITHIN A PERSPECTIVE OF
SOCIAL CHANGE

Bhoomi Sena emerging as a countervailing power

The adivasi revolt of 1945-47 destroyed the feudal kingdom of the sawkars. What arose on its ruins was not adivasi power, but the power of a new non-producing sawkar class (traders, moneylenders, contractors, landowners) and a producing rich peasant class (the kunbis). The adivasis were beaten into submission or tranquillized, and remained illiterate, ignorant, half-starved and oppressed by the new dominant power.

Now, three decades later, Bhoomi Sena—using a method and style of mobilization, conscientization and organization (described in the previous chapter) which is in marked contrast to the method of spasmodic arousal and mobilization through topical agitation by external agents which led to the 1945-47 eruption) has rekindled the flame of adivasi consciousness and kept it burning brightly for a decade. Adivasi power is now becoming a reality in the Junglepatti area.

This emerging power of the adivasis is a countervailing power and not the dominant power.

What is nature of this countervailing power?

Countervailing power is of two types each of which is characterized by the nature of its relationship to the dominant power:

1. Non-antagonistic countervailing power.
The relationship here is a contradictory but not antagonistic one. Such countervailing power can develop simultaneously with the

growth of the dominant power. It may seek to reduce exploitation, but within the existing production relations; to check and control the abuse of dominant power; and, at most, to take over and manage more efficiently, and perhaps even move equitably some of the institutions of the dominant power.

2. Antagonistic countervailing power. The relationship is an antagonistic one, and the growth of such a countervailing power necessarily implies a decline of the dominant power. It consciously strives to transform itself into the dominant power.

Is the emerging adivasi power in the Junglepatti area an antagonistic or a non-antagonistic countervailing power? This would depend on the nature of its relationship to the dominant power. The latter, however, is not homogeneous, since there are two exploiter classes with significant contradictions between them. One is the new Sawkar class, which is primarily a moneylending, trading and contracting class, and only secondarily and indifferently engaged in production. So far, the sawkars, who constitute a mercantile capitalist class, have maintained their dominance at the taluq and district level. Local bureaucracies and the police are in league with them, and for the adivasis they constitute the government-as the actual state machinery is too remote and unapproachable.

On the other hand, at the village level in the Palghar Junglepatti area, kunbi power is more in evidence. The kunbis are a class of rich (and middle) peasants primarily engaged in a agricultural production. They are an emerging agricultural bourgeoisie slowly taking to modern capit-

alist agriculture. However, due to the constraints on the development of capitalism, they are also being diverted into non-producing activities such as moneylending. With greater state assistance, however, they may attempt a more complete transition to capitalism, and become the dominant power not only in the village but also at higher administrative levels.

Thus the nature of adivasi countervailing power has to be examined in relation to both sawkar power and kunbi power. In relation to sawkar power, it is quite evident that adivasi power is an antagonistic countervailing power. The adivasis are consciously and unequivocally striving to destroy sawkar power, and the growth of their own power over the last seven years has undoubtedly led to a corresponding reduction in that of the sawkars. In relation to kunbi power, however, the adivasi consciousness appears to be somewhat ambivalent. The adivasis often lump the kunbis and the sawkars in the same class category, and tend to identify the destruction of sawkar power with the elimination of kunbi power. There is some objective basis for this identification in so far as the richer kunbis, like the sawkars, are moneylenders and imitate the life-style of the sawkars, and in their struggle for khauti the adivasis do not differentiate between the sawkars and the moneylending kunbis.

The material basis of kunbi power, however, is different from that of sawkar power: it is the emerging capitalist relations of production in agriculture. All the activities hitherto undertaken by Bhoomi Sena—the struggle for land, khauti, minimum wages and employment, abolition of bonded labour, etc. — are not in any way incompatible with, but are rather within the framework of,

capitalist relations of production. In fact, some of these activities may even help to speed up the movement towards capitalism in the area, by compelling the more enterprising kunbis to modernize agricultural production so as to be able to pay the higher wages demanded. Whether the objective conditions, both internal and external, are conducive to the development of agricultural capitalism in the area is another matter (discussed subsequently). If they are, the present activities of Bhoomi Sena could well promote rather than hinder that process.

In this perspective, while adivasi power is unambiguously an antagonistic countervailing power in relation to the declining sawkar power, it has at present the characteristic of a non-antagonistic countervailing power in relation to the growing kunbi power.

Breaking the pre-capitalist mould

Under what conditions could adivasi countervailing power become antagonistic in relation to kunbi power, and eventually transform itself into the dominant power of the area? This question raises many issues which take us outside the Bhoomi Sena range of experience. It requires an understanding of Bhoomi Sena within a perspective of social change.

In the Bhoomi Sena area of activities, we are dealing with pre-capitalist society. By this, we mean a society in which not only are the productive forces predominantly pre-capitalist, but accumulation has also not become a self-reproducing and self-expanding process. Pre-capitalist societies, as a result of their own evolution and through their contact with more advanced societies, may

contain some typically capitalist or socialist features in their superstructure, and may even have developed the wage-labour form of exploitation and form of social ownership in certain areas of the economy, yet they remain essentially pre-capitalist in the sense in which we are using the term.

Historical experience shows that it is possible for two inter-related social classes to emerge from within a pre-capitalist society which are capable of further developing the productive forces under new and higher relations of production. These classes are the bourgeoisie and the proletariat. The vanguard of each of these classes has shown a capacity to initiate and organize a social movement impregnated with the new class consciousness, mobilize allies under its hegemony and carry out a sustained struggle to transform itself from a countervailing to the dominant power. These social revolutions are characterized as either bourgeois or proletarian, according to which of the two classes provided the leadership and the consciousness, and the ensuing new society as capitalist or socialist respectively.

According to this understanding of historical experience, socialism is not a form of society that lies 'beyond' capitalism, but is, for pre-capitalist societies, a historical alternative to capitalism. Capitalism and socialism are contemporaneous social systems which oppose each other, but also interpenetrate each other. In both, the drive to accumulate provides the impulse for the development of the productive forces.

Pre-capitalist societies have existed and continue to exist in a variety of forms. Some of these societies have made the transition either

to capitalism or to socialism, others may do so, but still others appear to be far from this transition in their present state. Since, in pre-capitalist social formations, the bourgeoisie and the proletariat are numerically small, the peasantry and the petty bourgeoisie play a vital role in the transformation of these societies, whether through the bourgeois or the proletarian revolutions. However, where the petty bourgeoisie attempts the transformation on its own, independent of and in opposition to both the bourgeoisie and the proletariat, no real transformation takes place, and precapitalism continues to exist either in the form of simple commodity production or some form of 'state capitalism'.

There is no unique path of transition either from pre-capitalism to capitalism or from pre-capitalism to socialism. Neither is there any determinism about the direction in which a pre-capitalist society would move, or even whether it would move at all. The 'determinism' exists, if at all, in the objective necessity that if a pre-capitalist society does move to a higher level of social development, it can under present conditions only move to a stage which will develop the productive forces through a process of self-reproducing and self-expanding accumulation.

Pathways of transition: unity of ends and means

Capitalist and socialist societies exist in a variety of forms. The particular transitional path from pre-capitalism will largely condition the character of the resulting capitalist or socialist society, in the same sense that ends and means constitute a dialectual unity. Within the capitalist and socialist groupings, the differentiation of forms will depend partly on differences

at the level of the base (forces and relations of production) and partly on superstructural variations, particularly in the precise character of state power, the extent and nature of counter-vailing power, the level of social consciousness, the degree of self-management and the vitality of community organizations. Unless the richness and variety of the differences possible within any given mode of production are recognized, the considerable scope for conscious intervention in the process of social change will not be fully grasped, and a more or less deterministic attitude to it may prevail. In this regard actual and possible variants of capitalism and socialism arising out of differences in the relationship between centre and periphery, and more specifically the urban-rural contradictions, are of particular significance to us.

The contemporary history of imperialism shows that continued accumulation and realization of surplus value at the centre cannot permanently be based on pure exploitation and coercion at the periphery. That this is true even in the case of an individual country is borne out by the recent experience of South Korea. Imperialism was mainly instrumental in lifting South Korea out of pre-capitalism into capitalism. This particular path of transition determined the initial export-oriented phase of South Korean capitalism, and the mainly exploitative and coercive relationship between the centre and periphery in the country. The remarkable growth rates achieved by the South Korean economy, together with the increasing trend towards protectionism in the United States and Europe, threatened to disrupt the cycle of expanded accumulation and realization of surplus value. The South Korean bourgeoisie is responding to this situation by turning inwards and attempting

to deepen its internal market in the rural areas. The method used, so far, has not been the classical one of developing agrarian capitalism based on wage-labour, partly because of an awareness of the social and political consequences if the urban sector proved incapable of absorbing the rural poor who would have been uprooted in such a process. In fact, in 1970, the Government initiated the Saemaul Undong or New Community Movement as an attempt to stem the migration from rural to urban area. It is also possible that the bourgeoisie was deterred from the course of agrarian capitalism by an awareness of their incapacity to provide the immense infrastructural investment that would be needed to make the countryside ripe for it. Whatever the reason may be, the main thrust in the rural area comes from the Saemaul Undong, which has become a nationwide rural development movement based on 'the spirit of diligence, self-help and cooperation'. As a result of the activities generated by this movement, rural surplus labour is being transformed into capital and a physical and social infrastructure is being developed at a fraction of the cost that would have had to be incurred if the bourgeoisie had to bear this burden themselves. Moreover, the internal market which the South Korean bourgeoisie so badly need is being simultaneously created as a result of the rising living standards in the rural area. It is significant that the interpenetration of capitalism and socialism as contemporary and parallel social systems permits some elements of the ideology, organizational forms and rhetoric of socialism to be used to serve the needs of the bourgeoisie.

However, this process generates its own contradictions. How long can the relative egalitarianism generated by a ceiling on landownership,

without which a movement such as the Saemaul Undong cannot be sustained, last in the face of a growing income differentiation which is bound to result from a development process based on individual ownership? What is the strength of the countervailing power against the pressure of an embryonic rural bourgeoisie to do away with the ceiling on land-ownership and begin in earnest the development of capitalist agriculture, now that much of the initial infrastructure needed for it is substantially in place? This emerging contradiction in the rural areas will have to be resolved one way or another: either by opening the flood gates to capitalism in the countryside or by the Saemaul Undong developing the rural productive forces on the basis of collectivist relations of production. Which of these two tendencies will become dominant depends not only on the social consciousness of the Saemaul Undong movement but also on the attitude of the urban bourgeoisie. This attitude, in turn, will largely depend on their judgement as to who can most rapidly develop the internal market for them, and on their willingness or otherwise to face the social and political consequences of a disruption of rural egalitarianism and the intensification of class struggle to which the growth of agrarian capitalism will lead.

Options for the Indian bourgeoisie

The question of developing the rural productive forces and deepening the internal market for capitalism has become a central one for the Indian bourgeoisie too. Unlike the South Koreans, they have not yet been able to establish and sustain an expanding cycle of accumulation and realization of surplus value. In this sense India is still not a capitalist country, but one moving towards

it with a greater sense of direction and speed than most other Third World countries today. However, it still remains a country with oases of capitalism in a pre-capitalist desert. The piling up of enormous foreign exchange reserves, the huge grain surpluses, and the significant underutilization of existing industrial productive capacity and technological and scientific manpower are all manifestations of the relatively narrow internal market. In view of the size of the country, the current international economic situation, the vast foreign exchange reserves and the limited capacity to absorb imports, it is doubtful whether the drive for foreign markets alone could substantially ease the realization problem of the Indian bourgeoisie. Hence, the development of the rural productive forces, and with it the internal market, appears to be the essential precondition for freeing India from the trap of pre-capitalist stagnation.

Which class can perform this task? In this regard the Indian bourgeoisie have some options open to them.

The first is to rely on the petty bourgeoisie. However, the weak and paternalistic efforts of urban petty bourgeois elites to live and 'integrate' with the rural poor, and lift them up through education, organization and the provision of technical expertise, have proved ineffectual. On the other hand, South Korea has demonstrated that the rural petty bourgeoisie which is a producing class of middle peasants, can be organized and motivated through a suitable rhetoric to perform this task, at least in the initial stages. But an Indian 'Saemaul Undong' is a little difficult to visualize, if only because of the absence of egalitarianism in the Indian countryside due

to the wide disparity in land-ownership and the sharp class and caste differentiation which exists there; under such conditions of increasing polarization, the rural petty bourgeoisie is a disintegrating class.

A second option is to rely on the emerging rural bourgeoisie to develop an agrarian capitalism. This raises problems somewhat similar to those confronting the South Korean bourgeoisie. The rural bourgeoisie is still a relatively weak class, and it is very doubtful whether they on their own can perform the massive task of the capitalist transformation of rural India. Even if they were to do so, it would need a tremendous transfer of resources from the urban to the rural areas merely to build the physical and social infrastructure necessary for capitalist growth. Will the urban bourgeoisie be willing to permit such a substantial flow of surplus to the rural areas, continuing over a number of years? What is the capacity of the urban industrial sector to absorb the millions of rural poor who would be uprooted in the process of the development of agrarian capitalism? What about the social and political consequences of increasing the polarization and intensifying the class contradictions in the rural areas? There is further question of whether the bourgeoisie could transcend the barrier of a diffused 'countervailing consciousness' arising out of a populist rhetoric, which India shares with many other state capitalist countries and which militates against openly adopting a path of increased polarization. These are questions that the Indian bourgeoisie may well ponder before they decide to take the second option.

A third option is to depend on a tacit alli-

ance between the two emerging rural classes capable of developing the productive forces, the bourgeoisie and the proletariat, to provide the material pre-conditions for the development of rural capitalism. This may appear paradoxical, but the experience of Kerala and recent trends in West Bengal indicate that it is a real option available to the Indian bourgeoisie. An efficient, 'communist' management of capitalism, utilizing the full power of socialist invocation to mobilize the proletariat and peasantry to develop the productive forces under capitalist relations of production, with a minimum of cost to the bourgeoisie, is an interesting social experiment with great significance for the understanding of social change..

There may, possibly, be a fourth option. A class-conscious, rural proletariat may begin in certain areas to develop the productive forces under collectivist relations of production. Depending on the strength of the countervailing power of such an organized rural proletariat, and on the relationship of class forces within and outside the area, the bourgeoisie may not only be unable to contain such a movement, but may even come to accept it as the only realistic way of developing the productive forces and the internal market for them in such area. In such an eventuality, the Indian bourgeoisie would be making a historic choice between the development of a rural capitalism, which would bleed it economically but strengthen it politically, and the development of a rural collectivism, which would be painless economically, but agonizing politically.

Whither Bhoomi Sena?

It is within this perspective of social change

that we attempt to obtain a glimpse of the future possibilities of Bhoomi Sena. Junglepatti and its surroundings are a pre-capitalist area dominated by a mercantile bourgeoisie class (sawkars), which to all intents and purposes constitutes the 'power' there. Their principal mode of exploitation is through interest and commercial profit, and only secondarily through the surplus extracted from wage-labour. While a middle peasant class engaged in petty commodity production is widespread throughout the area, its disintegration has already commenced, and the tendency towards agrarian capitalism is already manifest. The two classes which have emerged as a result of this tendency are the rich peasant class (kunbis), whose principal mode of exploitation is through the surplus extracted from wage-labour and only secondarily through interest, and the proletariat consisting of the landless and land-poor peasant labourers.

The future of this area will depend not only on the internal class relationships and struggles, but also on the relationship of this peripheral area to the capitalist centre. As mentioned earlier, a deepening of the internal market through the development of the rural productive forces has now become a matter of prime concern to the Indian bourgeoisie. It is this concern that will largely influence the relationship between the centre and the periphery.

The principal question, therefore, is: which class can develop the productive forces in the Junglepatti area, and under what conditions? The sawkars class is totally incapable of doing this; on the contrary, the development of productive forces requires the elimination of the political, economic and cultural dominance of this pre-

capitalist exploiting class of non-producers. In Junglepatti there are only two classes capable of playing this role: the rich peasant class consisting mainly of kunbis and the proletariat consisting mainly of adivasis. The kunbis, at present, are a weak and vacillating class with one foot in capitalism and the other in pre-capitalism. The utilization of their surplus is divided between capitalist accumulation, conspicuous consumption and pre-capitalist forms of investment. They are only very slowly and painfully modernizing and intensifying agricultural production. Although they are a class for others, they are still not fully conscious of being a class for themselves. They will need a tremendous push from outside if they are to emerge as a full-fledged rural capitalist class. The Indian bourgeoisie will have to divert considerable resources to this area to make capitalists out of the kunbis. The building of the physical and social infrastructure necessary for capitalism in this 'primitive' tribal area will tax the bourgeoisie heavily. It is not a path that they will take lightly.

The other producer class capable of developing the productive forces in this area is the proletariat. This class is organizing itself through the Bhoomi Sena Movement, and emerging as a countervailing power in the Junglepatti area. It is taking the lead in the struggle to destroy pre-capitalism and has achieved a significant measure of success. As a result, it is creating the political and economic space necessary for the development of the productive forces under new and higher relations of production. But this space today is largely an unfilled vacuum, even though the kunbis have crept into a little bit of it and sown the seeds of capitalist relations of production. Bhoomi Sena, so far, has done

very little with regard to the utilization of this space for the development of productive forces, and the productive activities which have been initiated by the Tarun Mandals so far are mainly within the framework of capitalist production relations. At present, though the Bhoomi Sena method and style of work is fundamentally different to that of the Left parties and their trade union movements, in terms of the content of its activities Bhoomi Sena still remains essentially within the traditional mould. But its unique method and style could provide it with an opportunity to break out of this mould and chart an equally unique path for itself. This path is not merely one of mobilising and raising the consciousness of people through political and economic struggles. It is one of fully utilizing the space created through these struggles to develop the productive forces, not under capitalist but under new collectivist relations of production, thereby sowing the seeds of a new social order and emerging as a countervailing power antagonistic to kumbari power, with the full consciousness of becoming the dominant power in the area.

The objective conditions for such a transition from pre-capitalism do not appear to be unfavourable. Firstly, although Bhoomi Sena has not yet taken this path, the sharpening of the contradictions arising out of the slow growth of capitalism and the rapid development of Bhoomi Sena power and class consciousness among the adivasis may make this path appear the most obvious and natural one to take. If that were to happen, the infrastructure that has already been laid in terms of mobilization and organization could facilitate and speed up the movement towards collectivist relations of production.

Secondly, 'state capitalism' in India-through land reform, state marketing networks, processing facilities, nationalized financial institutions etc. - has provided some economic space for the development of rural productive forces. That this space still remains largely unutilized in the area is a further commentary on the weakness of the kunbi class, which has been unable to fill it by developing the productive forces under capitalist relations of production. However, at present, this space is neutral with respect to the specific character of the relations of production, and there seems to be no barrier at all to Bhoomi Sena utilizing this space to develop productive forces under collectivist relations of production. An illustration of this is the state milk-collecting centre in the area, which today is inoperative because there is no milk to collect. On the other hand, the adivasi labourers are cutting grass for contractors who sell it to dairies outside the area. It would be very difficult to eliminate the contractor, because the private grass-marketing chain is a very tight one. However, the adivasis could bypass this entire private marketing network, and engage in collective milk production which could be fed into the Bombay market through the state milk-collecting centre.

As in the case of the Indian bourgeoisie, the options before Bhoomi Sena are more than one. What actually will happen remains unpredictable, not only because the preferred option of the bourgeoisie is unknown but also because the method of Bhoomi Sena, if the past is any guide, is to advance through learning derived from spontaneous ground-level initiatives rather than on the basis of a centrally conceived grand design.

NOTES

1. Symington. D., Report on the Aboriginal and Hill Tribes, Government of Bombay, Bombay, 1939, p.1.
2. Parulekar, Godavari, The Adivasis' Revolt, National Book Agency, Calcutta, 1975, p.1.
3. Symington. D., Report on the Aboriginal and Hill Tribes, Government of Bombay, Bombay, 1939, p.1.
4. Ibid., p. 47.
5. Ibid., p. 48.
6. Ibid., p. 29.
7. Quoted in Parulekar, Godavari, op.cit., pp. 1 - 2.
8. Symington. D., op.cit., p. 34.
9. Ibid., p. 50.
10. Ibid., p. 36
11. Ibid., p, 49.
12. Parulekar, Godavari, op.cit., pp. 37-40.
13. Ibid., p. 3.
14. Ibid., pp. 139-40

The next essay in this collection - 'Social Change' - published in full for the first time is the summation of G.V.S. de Silva's thinking of the processes of change in human society. It is also richly illustrative of the clarity of his thinking.

G.V.S. de Silva began as a somewhat orthodox Marxist, applying the methodologies of Marxist analysis to the concrete economic problems of Sri Lanka. However, he later saw that these methods and the political parties of the left that were based on their application did not appear to make any marked impact on the country as a whole. He then began to analyse, in a fresh way, the agrarian economic and cultural milieu in which the larger part of the country's population existed and to see that the traditional prescriptions of the left were not very relevant to their needs. The beginnings of this analysis we saw in the 'Heretical Thoughts'. This analysis was then borne out in his work with Bhoomi Sena.

He basically remained a marxist to the end of his days in that he was committed to the ideal of a communist society. But he looked at and re-examined the experiences of the Soviet Union, East Europe and China and the characteristics of social change in these countries; he also re-thought the concepts of accumulatives as well as of forces and relations of production. All this led him to advance a theory of social change based on a multi-linear model which he believed applicable to the world of today - capitalist, existing socialist and under-developed or pre-capitalist - in their advance towards communism. He also examined the various spaces available in contemporary society for working towards this ideal and the dire fate this would befall human society if no conscious

effort was made to use and expand such spaces.

This essay is thus the final fruit of G.V.S. de Silva's creative life. It is this theory which he sought thereafter to turn into practice.

SOCIAL CHANGE

The difference between the process of analysis and understanding and the method of exposition: the questions, the doubts, the setting up and testing of various hypotheses, the agony and the joy which are the ingredients of analysis are left behind in the synthesis and exposition which takes the form of a systematic and orderly flow of thought. One could even make the point that the former is a dialectical process, while the latter is a formal logical process. The introduction of dialectics into the exposition still does not compensate for the lack of the richness of dialectical thinking which characterises the earlier phase of analysis and understanding. Uncomfortable questions used to be swept under the carpet. But as time went on the questions multiplied and were becoming increasingly bothersome. When others too admitted to being bothered by similar questions, what were subjective became a part of the objective reality which could no longer be dismissed as before. Then began a period of critical analysis, at first totally destructive and personally agonising - the negation, and then the gradual attempt of a new synthesis; personally joyful - the negation of the negation, the initial attempt to recreate this process of thought.

Marx talks of two phases of communism - a higher and a lower phase. The latter is a transitional stage from capitalism to communism. Lenin gave a name to this transitional stage and called it Socialism. The contrast between the theory

of socialism as a transitional stage to communism, and the practice of socialism in the Soviet Union and Eastern European countries was a bothersome one. Solutions that present themselves are :

- a) The aberration theory; The Soviet Union is an aberration (largely due to Stalin). It is by no means a model of a true Socialist society. This view was largely reinforced by the Chinese experience. Here at last was a true Socialist model. But now there are doubts about China too. Is China also becoming an aberration (due to Deng Xiao Ping)? And what of the countries of Eastern Europe, N. Korea, Indo-China, Cuba, not to mention Ethiopia, Mozambique, Angola, South Yemen, Afghanistan, Guinea Bissau etc.? Are they all aberrations? This is a very idealist position to take: reality is an aberration and only the idea of Socialism is real.

- b) The distortion theory; The current practice of socialism is distorted because of the need to defend itself against counter-revolution at home and imperialism abroad. But the contemporaneity, the co-existence of Socialist and Capitalist Societies and their mutual inter-relationship, contradiction and inter-penetration is the reality and will continue to be so for a long time more. Then why call it a distortion? One may equally well say that capitalist societies are similarly distorted by the presence of the socialist societies. The whole world is then one big distortion. This is also an idealist position, since the idea only is real, while reality is a distortion of the idea.

c) A third way out is to question the basic premise which is at the root of the problem, namely Socialism - first stage of communism, to posit that Socialism is not a transitional stage from capitalism to communism. What is Socialism? Let us look at real experience again and what do we see :

i) No advanced capitalist country has become socialist (with the possible exception of Czechoslovakia, which is a very special case).

ii) On the contrary a number of pre-capitalist societies have become or are in the process of becoming socialist.

iii) Socialist societies differ from capitalist societies in property relationships, class relationships and in the nature of State power and countervailing power. However, commodity production and the driving power of accumulation are common to both forms of societies. In the case of societies at comparable stages of economic growth, there is virtually no difference between their levels of science and technology, labour skills and productivity or production process, - in short between their levels of development and the productive forces.

iv) Interpenetration, in terms of the flow of commodities, capital, technology, knowledge, ideas, institutional forms, and life style is increasingly

taking place between the two social systems.

- v) In both types of society the nation state exercises hegemony over an integrated territory and domestic market. Consequently nationalism and the drive towards expansionism, characteristic of the nation state, exist in both types of society.
- vi) Sometimes contradictions within a system are more acute than contradictions between the systems; diplomatic initiatives and international alignments are increasingly cutting across the system boundaries.

This is the reality of socialism, and its place in a model of social change has to be determined in relation to this reality and not in relation to an 'idea' of Socialism, of which the reality is an aberration or a distortion. In a schematic presentation, its place would be one leading out of pre-capitalism and parallel to (and not above) capitalism. It is an alternative to capitalism as a route out of pre-capitalism, and not a transitional stage between capitalism and communism. Pre-capitalist societies in transition throw up two classes, the bourgeoisie and the proletariat, either of which is capable of effecting and completing the transition out of pre-capitalism. The emerging bourgeoisie was economically more powerful than the emerging proletariat, and this was reflected in the fact that bourgeois ideology which played a significant role in instilling a class consciousness into the bourgeoisie emerged before the proletarian world view of Marxism.

Hence the bourgeoisie had an edge over the proletariat and the transformation of pre-capitalism through bourgeois revolution preceded the transformation through proletarian revolution. However, Marxism provided the proletariat with the weapon that they lacked and in the 20th century many more societies effected the transition from pre-capitalism through a proletarian revolution than through a bourgeois revolution. However, where a country had got out of pre-capitalism through a bourgeois revolution under the hegemony of the bourgeoisie and consolidated the process of self sustaining accumulation and expanded reproduction, a subsequent proletarian socialist revolution has not only never taken place, but even the possibility of it has receded more and more into the background, other than in exceptional cases by external intervention, as in Czechoslovakia. This is the reality of our present historical experience and it points quite definitely in the direction that the socialist revolution takes a country out of pre-capitalism and not out of capitalism. The issue before the countries of the third world is whether they get out of the pre-capitalist trap through the bourgeois or socialist revolution. The choice however, is not entirely an internal one. It is also largely governed by external forces, particularly if the country happens to be placed in a strategic position vis-a-vis the current conflicts in the international arena.

This view of socialism was gradually confirmed in so far as it afforded a solution to some other bothersome problems, such as :

- (i) Marx's proposition that the 'relations of production correspond to a definite stage of development of the material forces of production'. In considering this,

the question arises: if there is no qualitative differences between stage of development of the internal forces of production in socialism and capitalism, how can socialist relations of production be at a 'higher' historical stage than the capitalist relations of production, particularly in view of the fact that, in spite of the difference in property relationships, accumulation and commodity production are common to both types of production relations? This again tends to reinforce the view that socialism and capitalism are historically parallel social formations, at virtually the same level of development of the production forces and providing alternative routes for pre-capitalist social formations to get into the stage of self sustained accumulation and expanded reproduction.

ii) The second problem relates to the rationale for interposing a transitional stage between capitalism and communism. In the 19th century it was thought that the revolutionary transformation of capitalism was imminent, but at the same time there was a consciousness of the fact that the forces of production had not developed sufficiently for the material abundance which characterised the communist mode of production... Hence the need for a transitional stage between capitalism and communism. Whatever other reasons there may be for a transitional stage, the above reason no longer holds in view of the tremendous development of productive forces under late capitalism which has brought mankind to the threshold of a post-scarcity era. On

the other hand, the rationale for socialism as a system which will lift a society out of pre-capitalism by a sustained development of the productive forces through a process of self expanding accumulation has been proved over and over again in practice. Marx's hope of a proletarian revolution in 19th century Europe is quite understandable in the sense that European capitalism had still not taken firm roots and the European bourgeoisie had not yet consolidated its hegemonistic class rule. Had the proletarian revolution succeeded in some country at that time, the ensuing socialist societies would have been transitional not from capitalism to communism, but from pre-capitalism.

Having 'removed' Socialism from the path way that a capitalist society passes on its way to communism, the question of the nature of the transformation of capitalist society had to be looked at afresh. Some of the bothersome issues are :-

- i) The role of the proletariat in the revolutionary transformation of capitalism. There is no historical example of a class which constituted one element of the principal class contradiction, characteristic of a given mode of production, having played the leading role in overthrowing that mode of production. Slavery was not overthrown by the slaves, nor was feudalism by the serfs. Then why should it be the proletariat that overthrows capitalism? The slaves and serfs were so much an integral part of their respective modes

of production, that though they rebelled, fought against it and won concessions, they were incapable of transcending it. Then why should it be any different with the proletariat?.

- ii) A second question is: What is the proletariat in advanced capitalist countries? Is it a cohesive and growing class with a definite class consciousness? Or is it a class which is losing its identity as the material conditions of its life improve, as the degree and extent of automation increase, and as the gap between mental and manual labour, town and country, decreases?
- iii) The third question relates to the dictatorship of the proletariat. The questions raised earlier about the proletariat and its role are of relevance in this connection too. Moreover it is difficult to conceive of the possibility of this form of state replacing the bourgeois democratic state structure in the advanced capitalist countries. The transition from the bourgeois democratic state to 'statelessness' has to be through some other form of state structure which contains within itself the seeds of its 'withering'. (On the other hand the dictatorship of the proletariat is the necessary form of state structure for the socialist transformation of pre-capitalist societies. This is demonstrated by the success of the socialist transformation in countries with this form of state structure as compared to the ineffectual attempts of the petty bourgeoisie, in some third world countries,

to effect a socialist transformation without first smashing the pre-capitalist state structure, but merely grafting on to it elements of capitalist and socialist state structures).

iv) A fourth problem relates to the dialectical unity of ends and means. All these issues have a bearing on the tendency in Marxist thinking which goes by the name of 'Euro-Communism'. Having rejected the proletarian revolution and the dictatorship of the proletariat as being irrelevant to advanced capitalist countries, it still talks of a transition from capitalism to socialism. Probably some of the confusion in both the theory and practice of the Marxist parties in advanced capitalist countries may be resolved if they were to liberate themselves from socialism and set their sights on a transition to communism, and work out the implication of this both for theory and strategy. Euro-Communists and other radicals in the advanced capitalist countries are the best equipped to give body and form to the concept of the transitional stage to Communism (i.e. Marx's lower stage of communism as distinct from Lenin's transitional stage of socialism). In particular, they need to find answers to the following questions, among many others :

i) Are there significant differences at the superstructural level in relation to a transition to Communism between the Scandinavian Countries, Southern Europe, North-

ern Europe, Britain, U.S.A., and Japan? If so what is the material basis (forces and relations of production) for these differences?

- ii) What is the character of the transitional state, if it is not a dictatorship of the proletariat? In terms of the unity of ends and means, what should be the nature of its power, if this transitional state is eventually to wither away? What is the specific form that the dialectical unity of centralism and decentralism takes in relation to State power and countervailing power in the transitional state? What forms of social organisations would correspond to such an interrelationship between centralism and decentralism, state power and countervailing power?
- iii) If it is not through proletarian revolution, what is the method/methods for achieving this transitional state?
- iv) What is the character of the production forces in the transitional stage to Communism? Is it merely a quantitative increase over the capitalist productive forces, or is there a qualitative change as well? If so, does the qualitative change lie in the transformation of a predatory man-nature relationship to a non-predatory one? Can such a qualitative change

be effected through an adaptation of existing technology, or has a new technology to be created? Does the scientific knowledge for the creation of such a new technology exist?

- v) Is the specific role of the transitional stage to Communism the development of the productive forces to such a qualitatively higher level as to bring about a harmonious relationship between man and nature? If so what are the relations of production that would be most conducive to the development of productive forces in this manner? What would be the requirements of such a technology in terms of the spatial distribution of society? What would be the forms of social organisation, life styles and production activities of organisations in keeping with such a spatial distribution? Would such a society continue to be a commodity producing, accumulating one? Or would it be in transition to the production of use values? If so what are the specific relations of production of such a social formation?

- vi) What is the path of transition from capitalist relations of production to these new relations of production?

vii) Do the radicals in the advanced capitalist countries have to wait for D'day when they capture state power, or do they have sufficient countervailing power to bring about the development of qualitative higher productive forces under new relations of production? In other words are such changes possible or could they be made possible in some of the advanced capitalist countries, or at least in some regions in them? If so, does this not become an important component of the strategy of the radical parties in those countries in developing a communist consciousness among the people and bringing about a social transformation in their countries?

viii) What effect would the development of such a qualitatively different advanced technology have on the third world countries which borrow it? Would not the role of the 'transfer of technology' be changed from an instrument of domination to an instrument of liberation? Would this not be the process by which the Imperialist centre is transformed into a revolutionary centre vis-a-vis the periphery?

This leads us to the main part of the paper; the process of Social Change. Here there were two principal questions that were troublesome;

i) In Marxist literature, the produc-

tive forces begin to develop under new and higher relations of production even before the bourgeois revolution through which the bourgeoisie captures state power. However, in the case of the proletarian revolution, it is only after the capture of state power by the proletariat that the productive forces begin to develop under new and higher relations of production. In this sense, the proletarian revolution is a big bang which inaugurates the change in the mode of production. This has influenced the strategies and tactics of proletarian parties; no attempts have been made to change the mode of production before D-day. In fact, any prior attempt to develop the productive forces is regarded as reformist, and as a palliative rather than as a revolutionary measure. This post ante division is to me a somewhat arbitrary one. In the case of the Chinese revolution, there was a change in the mode of production in the liberated areas before the final capture of state power. Of course one could argue that this was possible because the Chinese Communist party had effective power in the liberated areas. But what is effective power and what is a liberated area? The bourgeoisie of feudal Europe also had effective power in the towns, which

was their liberated area. Effective power is ultimately a certain critical measure of countervailing power and a liberated area is not necessarily a mountainous and relatively inaccessible area, but one in which such countervailing power prevails. The same thinking applies to the transformation of advanced capitalist societies. Is there sufficient countervailing power in their societies for the setting up of 'liberated areas' where a change in the mode of production need not await the ultimate capture of state power, but in fact could be an important element of the strategy and action of the revolutionary movement in those societies?

- ii) A second problem relates to the nexus between the two levels of contradiction in Marxist theory; one at the level of the base (the contradiction between productive forces and productive relations), the other at the superstructural level (the class contradictions and the class conflict). The contradiction between productive forces and relation works itself out through class actors. What is the actual process by which this happens? To me this was a somewhat hazy area in Marxist theory.

The essay that follows is an attempt to clarify my own understanding of the detailed process by which the contradictions at these two levels interact with each other to produce social change through a long revolution.

A spectre is haunting humanity - the spectre of Barbarism.

In the century since Marx's death the continuing class struggle has produced a rich variety of advanced post-industrial, post-revolutionary and still stagnant pre-capitalist societies. The movement or non-movement of these societies, their specific transitional paths and their present characteristics are the raw materials for an analysis of the process of Social Change. With the dissolution of the monolithicity in Marxist theoretical thinking in the last two decades, there has been a flowering of debate within Marxism aimed at a fresh synthesis. Marxist trends that have remained submerged from the early part of the century are becoming a source of inspiration.

This paper is meant to be a contribution to this dialogue. In particular, it is addressed to those to whom both the spectre of Barbarism and the vision of Communism are real - the latter being more than a Utopia, irrelevant for current revolutionary practice. It is the theme of this paper that in the struggle against barbarism the reality of a communist society is of operational significance in charting a promising transitional path in a world becoming increasingly complex.¹

1. The use of the term Barbarism to characterize the antithesis of Communism has been inspired by

the writings of Rosa Luxemburg. However, it is used here in a somewhat different sense, both in terms of the end and the pathway to such a society. To Rosa Luxemburg Barbarism was the alternative to Socialism of the collapse of Capitalism. While we do not rule out the emergence of a barbarism through such an "implosion", our concern here is primarily with the arrival of Barbarism through "explosion" (transcending) of certain forms of Capitalism and Socialism.

The term Communism is used in the original Marxist sense, though we are not unaware that the pre-emption of this category by societies which are not even remotely approaching the original vision has endowed the term with many negative connotations among those who are otherwise in full sympathy with the essence of the concept.

The term Socialism has been even more abused. However, it is better to adhere to the generally accepted Marxist terminology - though giving it a somewhat modified content and position in the stages of societal change - than to coin a new label and add to the semantic confusion.

Pathways of Social Change: questioning of Unilinearity

1. The Marxist model of social change (in the modern area), as generally understood, envisages it as a staged process consisting of a succession of the following modes of production:

Pre-Capitalist → Capitalist → Communist

2. There was, however, a problem. In the 19th Century it was thought that the revolutionary transformation of capitalism was imminent, but at the same time there was a consciousness of the fact that the forces of production had not developed sufficiently for the material abundance which characterised the Communist mode of production. This problem was solved by interposing a transitional Socialist stage between the Capitalist and the Communist.

Pre-Capitalist > Capitalist > Socialist > Communist

3. The main historical role of the Socialist stage was to develop the productive forces to a level sufficient for the transition to Communism to take place. Its characteristic features were:
 - a. Social ownership of the means of production.
 - b. Planning as opposed to Capitalist anarchy in production, circulation and distribution.
 - c. Retention of differential rewards as material incentives for production ("to each according to his work" as distinct from the Communist distribution principle of "to each according to his needs").
 - d. Smashing of the Capitalist State apparatus and its replacement by the dictatorship of the proletariat, which would eventually wither away with the approach of the Communist stage.
4. The quarrel of the early anarchists with

the Marxists can be traced to this interposition of a Socialist stage with its repressive state apparatus. In common with the Utopians, they did not place much emphasis on the role of the development of productive forces in social changes, and felt that the time was ripe to usher in the stateless Communist Society, which would be non-hierarchical and self-managed.

5. In a way, the quarrel of the Social Democrats with the Marxists may also be traced to this interloping Socialist stage, which they felt was an unnatural and unnecessary intervention in the historical process. The evolution of capitalism itself would lead to the millennium, and any extraneous and forcible imposition of a proletarian revolution followed by the dictatorship of the proletariat was an historical aberration.

6. The Russian revolution presented a major theoretical challenge to the Marxists of that time. Some of the issues that it raised were :

a) Why did it happen in Russia and not in one of the more capitalistically developed countries, particularly Germany where the proletariat was, relatively speaking, the most organised?

b) How could one talk of the dictatorship of the proletariat being the highest form of democracy when the proletariat was still numerically insignificant in a predominantly agrarian Russia?

c) Was it a bourgeois-democratic or a Socialist revolution?

- d) If it was the former, why was the bourgeoisie not leading it?
- e) If it was the latter: how could the stage of Socialist revolution have arrived on the historical scene, when there were so many unfinished bourgeois-democratic tasks in Tsarist Russia?

7. The first question was answered with the statement that "a chain snaps at its weakest link", and this "explanation" was readily accepted by Marxists. The second question was answered by changing the formula from the dictatorship of the proletariat to the "revolutionary democratic dictatorship of the proletariat and the peasantry" and, except for a slight variation about the hegemony of the proletariat, everyone agreed.

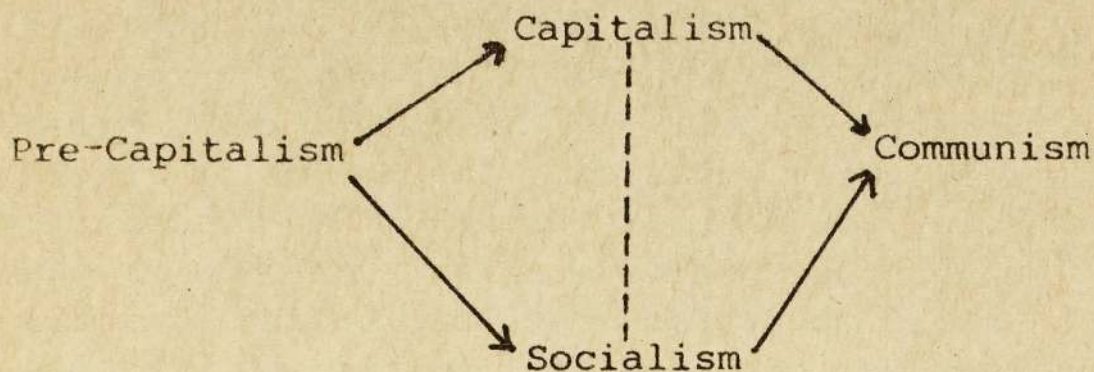
8. The last three questions, however, proved to be more intractable, and there was no uniformity in the answers given. Some of the answers were :

- a) Pre-revolutionary Russia was in the throes of a bourgeois-democratic revolution, but of a new type. The bourgeoisie had ceased to be a revolutionary class. Hence the new type of bourgeois-democratic revolution had to be led by the proletariat, and in actual opposition to the bourgeoisie. But this did not make it a Socialist revolution because the tasks to be performed after victory were specifically bourgeois-democratic and not Socialist ones. Moreover, the revolution would lead to

the consolidation, not of proletarian but of bourgeois power; because in a democratically elected Constituent Assembly, the petty-bourgeoisie and bourgeoisie would dominate over the proletariat which constituted only a tiny fraction of the population. "Thus by its actions the proletariat brings the course of revolutionary events to the extreme limit which is allowed by the objective development of social relationships, then almost inevitably at this boundary a big temporary defeat awaits it". (Rosa Luxemburg).

- b) The bourgeois-democratic tasks would merge with the Socialist tasks, and therefore the bourgeois-democratic revolution would flow uninterruptedly and without discontinuity into the Socialist revolution.
- c) The February revolution was a bourgeois-democratic one, while the October revolution was a Socialist one; thereby compressing the so-called entire historical era between Capitalism and Socialism into the space of 8 months.

9. The laboured and tortuous character of the above explanations is evident. Similar issues and similar explanations arose with regard to the nature of the social transformations in Eastern Europe and Asia. The source of the confusion seems to be the unilinear character of the historical staging described earlier. A different ordering of the stages on a non-unilinear basis may help to resolve some, if not all, of these problems. Such an ordering may be the following:



-----=interpenetration, not transformation

10. Some of the implications of the above model are :

- a) Capitalism and Socialism are historically alternative stages of development for pre-capitalist societies. The main historical role of both stages is the development of the productive forces of society, through accumulation, as a prelude to the Communist mode of production.
- b) The Russian, Eastern European, Chinese, Vietnamese, Korean, etc., were Socialist revolutions. But the term "Socialism" needs to be drained of its ideal content and regarded as a historical stage parallel to Capitalism, and co-existing and interpenetrating with it. The inequality, the bureaucracy, the limitation of democracy apparent in varying degrees in existing Socialist societies are not aberrations, but inevitable consequences of a centrally directed thrust at lifting up pre-capitalist societies from a semi-medieval to the modern era.
- c) The Socialist revolution took place in

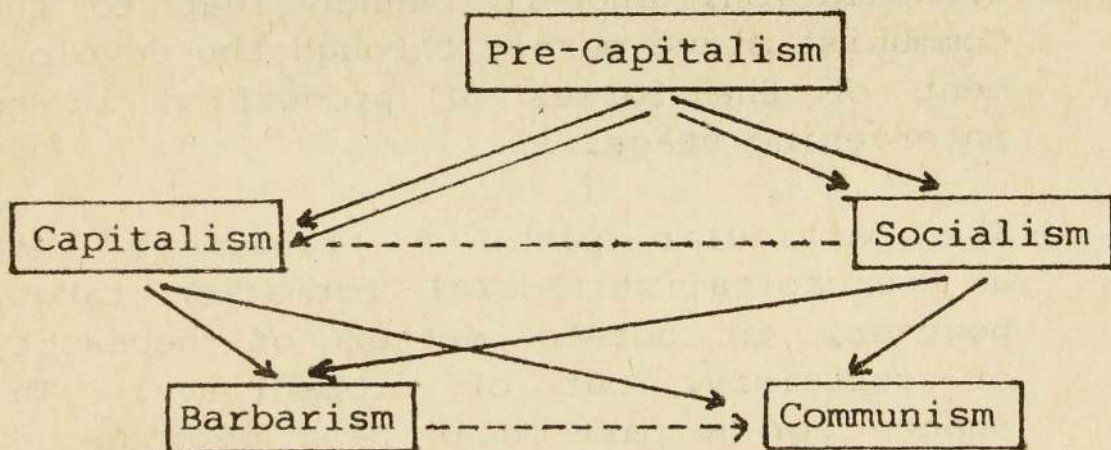
"backward" Russia and not in the capitalistically "advanced" Germany, precisely because Russia was backward and Germany relatively advanced. The Socialist revolution as defined above is a possibility only in pre-capitalist societies, and not in societies where capitalist accumulation has become a self-sustaining process.

- d) The term pre-capitalist must be regarded as including all socio-economic formation where accumulation has not become a self-reproducing and self-expanding process. It thus includes even those societies which through their contact with imperialism have become a part of the world Capitalist system, have even developed the wage labour form of exploitation in some areas of the economy, and whose superstructure contains typically capitalist features, but which nevertheless, partly because of their dependency relationships, have not reached the stage of self-producing and self-expanding accumulation. "State Capitalist" socio-economic formations would also, for the same reason, be included in the pre-capitalist stage.
- e) Socialism is not a necessary historical stage for capitalist countries to go through in their transition to Communism and in relation to their proximity to this transition, some capitalist countries may be more advanced than some socialist countries.

11. But, even this model is bi-linear and too deterministic:

- a) It ignores the rich variety of social processes and forms that time has thrown up during this century.
- b) It depicts Pre-Capitalism, Capitalism and Socialism as each being undifferentiated socio-economic formations.
- c) It implies a necessary transformation of all Pre-Capitalist Societies into Capitalist or Socialist Societies, and or both these, in turn, into Communist Societies.
- d) It envisages a unique path of transition from Pre-Capitalism to Capitalism, from Pre-capitalism to Socialism, from Capitalism to Communism, and from Socialism to Communism.

12. A more realistic model could be the following one:



-----interpenetration not transformation

----->interpenetration, possibly transformation

13. The implications of this model are as follows:

- a) Pre-Capitalist societies have existed and exist in a variety of forms. Some of these societies have made the transition either to Capitalism or to Socialism, others will do so, but some appear to be far from this transition in their present state.
- b) There is no unique path of transition either from Pre-Capitalism to Capitalism or from Pre-capitalism to Socialism. Neither is there any determinism about whether a Pre-capitalist society would move to Capitalism or to Socialism, or whether it would move at all.
- c) The "determinism" exists, if at all, in the objective necessity, that if a pre-capitalist society does move to a higher stage of social development, it can only move to a stage which will develop the forces of production through a process of self-reproducing and self-expanding accumulation, and it cannot leap to the Communist stage merely through the development of the forces of production in an intervening stage.
- d) The particular path of transition that a Pre-capitalist Social formation takes, however, is not a matter of necessity or certainty, but of probability. The chance for a particular path depends not only on the internal class relationships and the configuration of the external environment, but also on non-predictable occurrences such as a fortuitous conjuncture of the internal and external situations, the quality of leadership, and

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often on the presence of a charismatic leader. Moreover, the probability of a particular path is not a constant, but will vary with the occurrence of every new event. In such a context, prediction of the transitional path is a hazardous venture. As Jacques Monod says: "No one will blame a universal theory for not affirming and foreseeing the existence of this particular configuration of atoms: it is enough for us that this actual object, unique and real, be compatible with the theory. This object, according to the theory, is under no obligation to exist; but it has the right to".

- e) Both the Capitalist and the Socialist revolution must smash the pre-capitalist state apparatus, and erect in its place either a bourgeois or a proletarian state apparatus. Since in pre-capitalist social formations, the bourgeoisie and the proletariat are numerically small, the peasantry and the petty-bourgeoisie play a vital role in the revolutionary transformation of pre-capitalist societies, whether through the bourgeois or the proletarian revolutions. However, where the petty-bourgeoisie attempts the transformation on its own, independent of and in opposition to both the bourgeoisie and the proletariat, no real transformation takes place, and pre-capitalism continues to exist either in the form of simple commodity production or some form of "State Capitalism", (e.g. Burma, Bangladesh, Sri Lanka, Tanzania).
- f) Capitalist and Socialist societies also

exist in a variety of forms. The particular transitional path from Pre-capitalism will largely condition the form of the resulting Capitalist or Socialist society (unity of ends and means). Within the Capitalist and Socialist groupings the variety of forms will depend partly on differences at the level of the base (forces and relations of production) and partly on superstructural variations, particularly in the character of the state, the extent and nature of countervailing power, the level of social consciousness, and the vitality of community organisation.

- g) If the Socialist transformation of pre-capitalist societies could take place along a variety of paths, and if these paths in turn largely condition the character of the resulting society, and if this, in turn, largely conditions the possibility and the facility of the future transition to Communism, the process is not deterministic and scope for voluntary action will exist. The task of revolutionary forces in such societies is one of charting a course which could ultimately result in the surest transition to Communism-which is not necessarily the same as the one which will result in the quickest transition to Socialism. This does not mean, however, that they should stand aloof from a different type of transitional path which the conjuncture of circum-

stances has made inevitable. A qualitative change in pre-capitalist continuity is welcome as it breaks the stagnation - even if it were to lead to a capitalist path of development. It only means that they should look for and create space in the new situation for the achievement of their objective.

- h) The historical contemporaneity and interpenetration of Capitalism and Socialism implies that imperialism is not only a phase specific to capitalism but also to some types of Socialist societies. It further follows that the "positive" aspect of imperialism in lifting up certain societies from the Pre-capitalist into the Capitalist state (e.g., South Korea and Taiwan), has its analogue in that Social imperialism has performed a similar positive role in releasing certain societies from the Pre-capitalist trap and transforming them into Socialist societies (e.g., Eastern Europe).
- i) The variety of forms in which capitalist and Socialist societies exist could result in a variety of transitional paths to Communism, and an equal variety of forms of Communist society. However, the development of the productive forces alone does not ensure the transition to Communism; it is a necessary but not a sufficient condition. Equally important are the specific relations of production, the quality of the man--nature inter-action which is develop-

ing the productive forces, and at the level of superstructure, the extent of social consciousness, community organisation and countervailing power. The mere development of the productive forces alone may not lead to Communism, but to its negation, Barbarism.

- j) As more and more societies escape from pre-capitalist stagnation into a socialist or capitalist path of expanded reproduction and accumulation, the space available for the dominance of the imperialist relationship between centre and periphery becomes increasingly constricted. As a result, Capitalism enters a period of internal crisis, a manifestation of which is the stagflation that is now afflicting all the capitalist countries in varying degrees of intensity. This however, need not presage the "collapse" of capitalist countries into a state of endemic chaos. On the contrary, the deepening crisis may provide the objective conditions for a historic change: the transcending of the Capitalist mode of production itself. The Capitalist mode of production may turn into a fetter inhibiting further development of the productive forces. The way out of the impasse could lie in a transformation of private ownership of the means of production into one form or other of social ownership, and of commodity production into the production of use-values. This could open up two possible paths of transition; one to barbarism and the other to Communism. Social ownership of the means of production and the production of use-values could take a centralised form within which a predatory man-nature relationship develops the productive forces, thereby providing the material base for a satiated, manipulated,

hierarchically managed and unconscious barbaric society. On the other hand, social ownership and the production of use-values could take a decentralised form which may eventually transcend "ownership" itself and become "non-ownership". Such relations of production will provide a framework within which a new technology based on a harmonious man-nature relationship could develop the productive forces, thereby providing the material base for a want-free, liberated, self-managed and fully conscious communist society.

14. A preliminary characterisation of Barbarism may be attempted:
- a) A very high degree of development of the productive forces coupled with a history of (a) exploitation and/or (b) concentration of means of production and centralisation of decision-making gives unparalleled power to a few over many, exercised not through deprivation but through directed satiation: induced consumption of useless products and usurpation of increased leisure time. The economic machine is kept going and even expanding by these created wants way beyond any meaningful level of human needs.
 - b) The driving force at this stage is neither coercion (political) nor remuneration (economic) but ideology - a powerful diffusion of perverse consumerism through the use of mass media, creating a mindless, sub-human, robot-like mass, completely at the mercy of the manipulators, i.e. the scenario of "1984".

c) While the essence of Barbarism is power, it operates not necessarily through the erection of awesome state power but by destroying all possibility of countervailing power. Thus neither Communism nor Barbarism require a state-the former because of a highly conscious people and the latter because of a completely unconscious mass.

d) The root of the unconsciousness lies in the social being: the ultimate development of technology, predatory on nature and based on extreme division of labour. Dialectically, the efficiency of this technology makes consumerism possible and in turn the ideology supports the existing man-nature relationship. While aggressively and wastefully transforming nature, man transforms himself into a Barbarian

15. A summary comparison of Barbarism and Communism may be as follows :

Barbarism

- extreme division of labour, low skill, low consciousness, "efficient" but wasteful technology, geared to individual consumption
- predatory on nature

Communism

- low division of labour, varied tasks, high skill, high consciousness, less "efficient", geared to maximum collective consumption.
- symbiotic with nature

- | | | | |
|---|---|---|---|
| - | formally social ownership | - | beyond ownership |
| - | centralised | - | decentralised |
| - | little or no extraction of surplus value | - | no exploitation |
| - | abundant, over-consumptive | - | sufficient, balanced life style |
| - | stateless | - | stateless |
| - | unconscious, mindless robot-like man | - | conscious, purposeful human man |
| - | manipulated, tranquilized passive society | - | emancipated, mobilized, active society |
| - | control through ideology with false choice | - | consensus through ideology with real choice, variety and freedom |
| - | relationship as commodity, lonely atomistic amorphous | - | relationships as meaning of existence, secure, collective, cohesive |

Barbarism and Communism have apparently similar material conditions. The difference lies in the nature of the articulation of the productive forces, and subtle differences in the relations of production creating and being re-inforced by entirely dissimilar superstructures, mainly ideological. For a long historical epoch they may co-exist in an unstable state.

Process of Social Change: The Long Revolution

1. Perhaps the most succinct statement of Marx's conceptualisation of the process of social change is to be found in his Preface to "A Contribution to the Critique of Political Economy". The main propositions enunciated there are as follows

- i) "In the social production which men carry on they enter into definite relations that are indispensable and independent of their will".
- ii) "These relations of production correspond to a definite stage of development of their material powers of production".
- iii) "The mode of production of material life determines the general character of the social, political and spiritual processes of life".
- iv) "At a certain stage of their development, the material forces of production in society come into conflict with the existing relations of production".
- v) "From forms of development of the productive forces, these relations turn into fetters. Then occurs a period of social revolution".
- vi) "In considering such transformation the distinction should always be made between the material transformation of the economic production which can be determined with the precision of natural science, and the legal, political, religions, aesthetic or philosophic - in short, ideological-forms in which men become conscious of this conflict and fight it out".
- vii) "No social order ever disappears before all the productive forces, for which there is room in it, have been developed".
- viii) "New, higher relations of production never

appear before the material conditions of their existence have matured in the womb of the old society".

2. In theory, Marxists have generally agreed that the process of social change consists of a dialectical interaction between the objective and the subjective, base and super-structure, chance and necessity. In practice, however, many have tended to lean towards one or the other of these dialectical opposites by placing special emphasis on some of the propositions of Marx to the neglect of the others. For example:

- a) Propositions (iv) and (v) have been specially emphasised by some, and this has led to deterministic and teleological overtones. Historical "progress" tends to be conceived as an "objectively necessary" process propelled by the "unfolding" of the "inherent" contradiction between forces and relations of production at each stage of their development, and its "inevitable" resolution "inexorably" leading humanity on to higher and higher stages of social progress.
- b) On the other hand, particular stress laid on proposition (vi), particularly the latter half of it, has resulted in a subjectivist tilt which assigns, to the development of consciousness, the major role in bringing about social change.
- c) Propositions (ii) and (vii) have often been ignored with the result that "Marxist" fancy, set free from its earthly moorings, has roamed freely in Utopian realms.

d) Proposition (viii) has been almost forgotten with the result that not only the understanding of the revolutionary process, but also the grasp of revolutionary strategy has suffered considerably.

3. The substance of all the above propositions of Marx, could be synthesised and concisely formulated as follows :

As a result of the development of the productive forces, and corresponding to a definite stage of that development, new and higher relations of production gradually begin to appear in the womb of the old society. These new relations of production, in turn, generate new social, political and ideological processes and a new consciousness corresponding to them. The interaction between the productive forces and consciousness results not only in the further development of the productive forces and consciousness and the deepening of the new relations of production, but also in an increasing awareness that the existing relations of production have become fetters hindering that development. The growing conflict between the new and the old is then fought out by men, and thus ensues a period of social revolution. However, the old social order never disappears before all the productive forces for which there is room in it have been developed.

4. In order to comprehend this process better, it is necessary to probe deeply into its detailed operation, both in historical as well as contemporary societies. Such a probe will not only increase the understand-

ing of the process, but will also thereby enable conscious intervention in it. For such intervention to be fruitful, however, it is necessary to analyse the process from the point of view of distilling from it useful operational concepts which could guide revolutionary strategy.

5. Such an analysis of the process of social change, which also, incidentally, brings out the element of probability inherent in it, could be as follows :

a) The development of the productive forces increases the social surplus.

b) While the distribution of the social surplus is being continuously reproduced by the production process which is taking place within the existing relations of production, there is a probability that as the surplus increase, some leakages and modifications may gradually arise in the existing distributive system.

c) The surplus accruing to independent direct producers may increase. Even some of the dependent direct producers may well be able to retain a part of the increased surplus and not surrender the entirety of it to the exploiting class (or classes). Also, within the exploiting class itself, more of the surplus may accrue to some individuals and sub-groups than to others. Thus begins a process of differentiation within the ranks of the independent direct producers,

dependent direct producers and the exploiters.

- d) The new beneficiaries of the increased social surplus may well utilise it in the same manner as the existing exploiting class. In the event they will gradually get absorbed into and strengthen this class, and the reproduction of the existing mode of production will continue unchanged.
- e) However, it is also possible that at some stage, some of them, at least, will use their share of the increased surplus in a manner different to that of the traditional recipients. In particular, they may utilise it to further develop the productive forces and could thereby come up against the need for new relations of production, because of the inadequate opportunities available for the development of the productive forces within the existing relations of production.
- f) To the extent that these new beneficiaries of the increased social surplus carry on production within the framework of new relations of production, they constitute the beginnings of a new social class which is emerging from within the "womb of the old society", and which is becoming so to say, the standard bearer of the further development of the productive forces. Their activity of developing the productive forces under new and higher relations of production constitutes the seeds of change within the existing

social order.

- g) Whether these seeds will germinate, take root, grow, flower and multiply will depend on the suitability of the environment, which in this case consists of the space available to them under the existing relations of production (i.e., economic space), and within the existing superstructure, particularly the dominant power relationship (i.e., political space).
- h) Wherever adequate space is available, the process of social production may now reproduce not only the existing relations of production, but along with them the new relations of production together with a new class which becomes increasingly conscious of itself as a class, and whose "objective historical role" is the further development of the productive forces.
- i) The continuous reproduction of the new relations of production will generate, reproduce, and in turn be strengthened by its own social, political and ideological superstructure, which reinforces and is reinforced by a growing class consciousness. A countervailing power in opposition to the dominant power will begin to emerge and gradually get organised and institutionalised. Countervailing power is of two types, non-antagonistic and antagonistic, depending on the nature of its relationship to the dominant power. In the case of the former, this relationship is a contradic-

tory but not an antagonistic one. Such countervailing power grows together with the dominant power. It may seek to reduce exploitation, but within the existing production relations, to check and control the abuse of power, and at most, to take over and manage more efficiently, and perhaps even more equitably, some of the institutions of the dominant power. The other type of countervailing power has an antagonistic relationship to, and its growth necessarily implies a decline of, the dominant power.

j) As the available space gets used up and constricted, the new relations of production come into conflict with the old, which now is becoming a fetter on the further development of the productive forces, and the new class whose consciousness has been growing becomes acutely aware of the need to create more space. The conflict between the new and the old is then fought out by men who are conscious of themselves as being representatives of two contradictory and antagonistic forces. Thus ensues a period of social revolution.

k) The social revolution is not a once and for all big bang. It is a process taking place over a period of time; a long and protracted revolution. It does not end with the "capture" of political power. It encompasses an entire period of development of the productive forces under new relations of production,

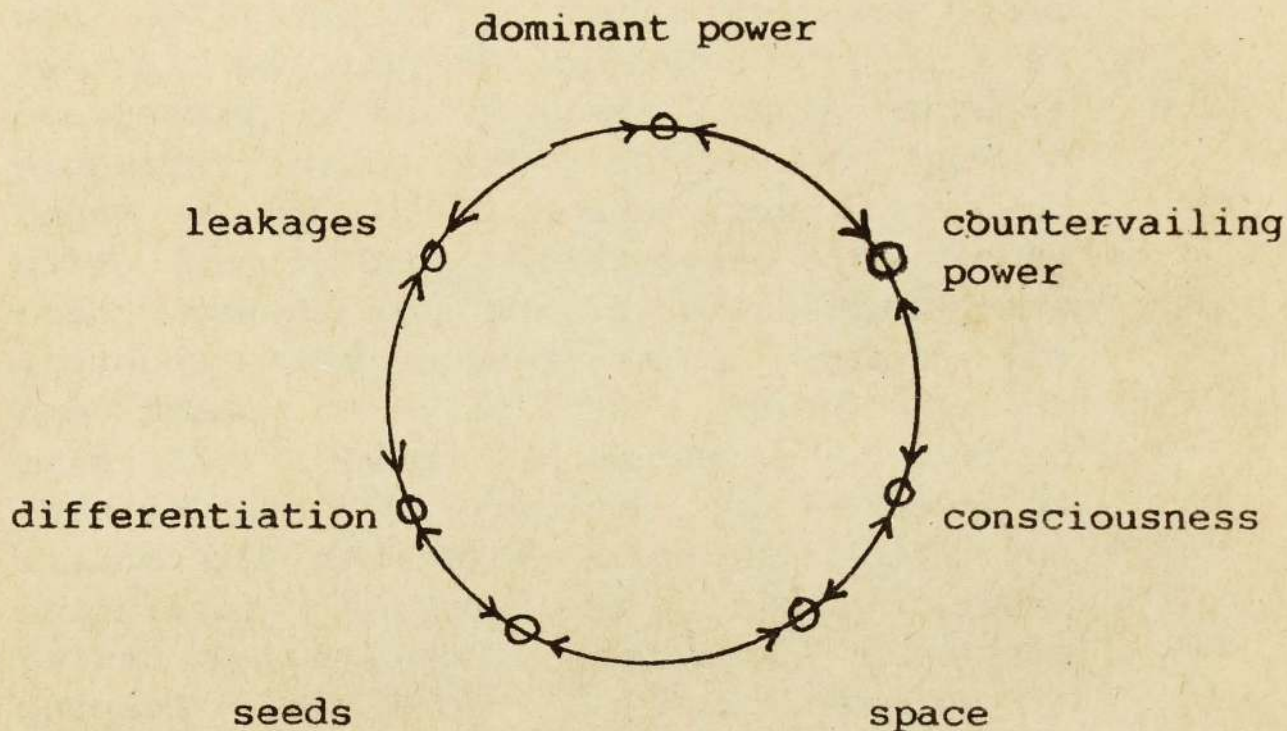
and in conflict with the old. In the course of the revolutionary conflict to create space, non-antagonistic countervailing power is transformed into an antagonistic one, and then into the dominant power. This is, however, only a stage in the process, though an important one. It could infuse a greater consciousness and direction to the process and speed it up. Leakages may be transformed from dribblets into a flood. The new relations of production may be further expanded and reproduced by a widespread sowing of seeds. The class struggle to create more space could now be waged under more favourable conditions. With the heightening of consciousness, there may emerge a non-antagonistic countervailing power, not only to check and control the abuse of power, but also to oppose any tendency of the dominant power to compromise with the old social order. Thus, the social revolution proceeds; sometimes slowly and taking a zig-zag course, sometimes leaping forward, until the old social order disappears when there is no room for the further development of the productive forces under the old relations of production.

6. The operational concepts that emerge from the above analysis of the process of social change are :

leakages ↔ differentiation ↔ seeds ↔ space
 consciousness ↔ countervailing power ↔ dominant power.

The two-way arrows indicates that the causal relationship is not a uni-directional one, but a dialectical relationship flowing both ways, in which cause and effect continuously interchange their respective positions.

A circular representation may better focus on this inter-relationship :



Such a representation also more clearly signifies that there is no singular starting point for the process. Under certain historical conditions, the dearth of space may be the binding constraint for the process to move decisively. In such situations, the creation of space through revolutionary conflict, even going all the way to becoming the dominant power, may be a first priority before any seeds could be sown. However,

if this is a protracted struggle, some seeds of the new relations of production can be sown in that very process. Yet, the task of completing the social revolution still requires going through the different sequences of the process, beginning now from a position of dominant power.

In other historical conditions, the space needed for sowing the seeds, either exists or can be created through limited struggles which do not go all the way to becoming the dominant power. Such situations, in which many contemporary societies find themselves, require the conscious sowing of seeds (i.e., the development of the productive forces under new and higher relations of production) in the available space. This will not only increase the momentum of the social revolution and hasten the disappearance of the existing social order, by constricting the space available for it to grow, but may also be the surest method by which people become mobilised, conscientised and organised to become the dominant power, and to consciously continue the struggle until the old social order disappears.

7. Some of the implications for revolutionary strategy, of the above analysis and the operational concepts it has yielded, are as follows :

a) Seeds and space constitute a dialectical unity of opposites whose movement and interaction generate social change. Seeds without space are, to change the metaphor, mere bubbles, and space without seeds is only a vacuum. Seeds in search

of space and space looking for seeds provide the terrain for revolutionary action. Consciously looking for and creating space for the seeds to thrive and the sowing of seeds in the available space with the consciousness of becoming the dominant power is the very essence of revolutionary strategy.

- b) There is often a misconception among Marxists that any action by them to develop the productive forces of society is "economist" or "reformist", while only that action is revolutionary which leads, through theoretical education and mass struggles, to the raising of mass consciousness for the capture of political power. This is a one-sided conception of the process of social change, which in reality is brought about not only through the development of the productive forces and their mutual interaction.
- c) The dividing line between reformist and revolutionary action is not whether revolutionaries should actively participate or not in the development of the productive forces, but under what relations of production and with what consciousness they do it. To do so under new and higher relations of production and to struggle to create the necessary space for it, is to embark on a course of revolutionary action designed to sow the seeds of social change and multiply them continuously, with the ultimate objective of becoming the dominant power, and thereafter completing the social

revolution.

- d) For instance, there exists considerable economic space provided by certain forms of state capitalism in some of the Third World countries. This space is largely an unutilised vacuum.

Rather than merely condemn State Capitalism, revolutionary action consists in "transcending" it by fully utilising the space it provides to sow the seeds of change; i.e., to develop the productive forces under new collectivist relations of production, and to create more and more space, by political and economic struggles, for the seeds to grow and multiply. The raising of mass consciousness is an integral and inseparable part of mass creativity through mass action to develop the productive forces and to create economic and political space for it.

- e) The development of the productive forces within the relations of production and the growth of consciousness could lead, whenever the existing political space permits it or more political space can be created, to the establishment of strong and antagonistic countervailing power. This "Yenan" need not necessarily be in the mountains or the forests. It could be located anywhere. In the case of the bourgeoisie of feudal Europe, it was located in the towns.
- f) On the other hand, in many capitalist countries there exists a substantial

political space provided by bourgeois democracy and the growth of countervailing power both in a diffused and institutionalised form. This space too is largely an unutilised vacuum in search of seeds. The utilisation of the political space of bourgeois democracy for purely trade union struggles limited in scope to snatching a bigger share of the social surplus is, however, "economism" and not revolutionary action. It merely increases the "leakages" in the system of distribution of the social surplus. But unless this leakage is utilised to sow the seeds of change, it will not lead to social differentiation but to an identification with the capitalist class. It will not lead to the raising of social consciousness, but only to a reinforcement of the capitalist mode of production, by gaining for it a wider ideological acceptance from the new beneficiaries of the social surplus it creates.

- g) The task of revolutionaries in capitalist countries in Europe and elsewhere is not merely to condemn the obvious limitations of bourgeois democracy, but to fully utilise the political space it provides and develop the forces of production under new and higher communist relations of production, thereby sowing the seeds of change which will lead through the struggle for the creation of more and more space and the consequent development of social consciousness to an eventual transcending of both

bourgeois democracy and the capitalist mode of production. Many of these societies possess economic space, and often also political space for the seeds to grow. What they seem to lack are viable seeds capable of withstanding the ideological "lethal radiation" pervading the whole atmosphere. One effective shield is a coherent socially oriented (as opposed to individual drop out) counter culture created by those whom the system is throwing up in significant numbers as a reaction/revulsion to the dominant culture. Movements at the superstructural level concerned with eco-development, new life styles and democracy at the work place have the potential for generating seeds under these conditions.

- h) Likewise, the struggle in the socialist societies is between tendencies towards Barbarism and the striving for Communism. This struggle lies both in the superstructure and the base. The political and economic space to sow and develop the seeds of Communism varies in the different socialist countries. The task in the continuing revolution in these societies also, is to sow seeds and create more space in which to do so.
- i) The basis of internationalism is an identity of interest and mutual reinforcement arising, not out of being a part of the world Socialist movement in a common struggle against Capitalism, but from being a part of the world Communist movement in the common struggle

against Barbarism.

While Communism in one country may or may not be a viable proposition, Barbarism in one or two powerful countries will overwhelm the rest of humanity.

2

G.V.S. de Silva, working together with other scholars, had thus developed a concept of social change which was somewhat different from the traditional Marxist concept of revolutionary change. He had now come to believe that space was available, within the existing capitalist structures, to begin work on the creation of centres of countervailing power that would ultimately be capable of becoming centres of social change that, in Asia, such spaces existed mainly in the rural sector. Their study of Bhoomi Sena had helped them to sharpen their understanding; as G.V.S. de Silva himself says - "People's knowledge and practice at the grass-roots interacted with modern knowledge and scientific analysis to produce a new praxis on how the creative initiatives of the people of rural Asia may be released and mobilised for all round development".

The next logical step was to undertake an experimental project to translate the theory into operational terms. The result was the Participatory Institute for Development Alternatives, established in August, 1980, jointly by G.V.S. de Silva and other scholars who pioneered this research and a group of action researchers. G.V.S. de Silva worked actively with PIDA until his sudden death.

We conclude this volume with his description of PIDA and its objectives and methods of work. It will, however, be obvious that G.V.S. de Silva remained critical and even self-critical to the last; he was fully aware of both the difficulties and dangers inherent in the process of social change that he was helping to initiate.

PIDA AND ITS VISION OF DEVELOPMENT

We look at development in fundamental humanistic terms as a process of overall development of the people and their potential. Bringing out the creativity and the potential of the people is the means as well as the end of development. People are the subjects and not mere objects or targets of development. There are several important aspects to such a humanistic view of development.

- Development cannot be delivered to the people as a package from outside. It is essentially an endogenous process which stems from the heart of each society.
- Development can acquire its full meaning only if rooted at the local level and in the praxis of each primary community. Development is first and foremost lived by the people where they are, where they work and live, that is in the first instance at the local level.
- No development model can be universal. In fact the richness of development consists in its variety and plurality of patterns deeply ingrained in the culture and tradition of each society. Attempts at uniformity and universalism are mechanistic and alienate people.
- Self-reliance, participation and countervailing power are central components in the development process as conceived by us. The three concepts are a unity, an integrated

whole. Self-reliance is not to be confused with the narrow concepts of autarchy and self-sufficiency. It is rather an autonomous capacity to take decisions affecting one's livelihood and to choose one's course of development uninhibited by external influences. It is a reappropriation of man's control over his livelihood and environment hitherto alienated to others. It is a process of self-assertion. It aims at breaking away from dominant-independent relationships and forging relationships on an equal footing. Participation as a central democratic value is organically linked with the assertion of self-reliance, for it denotes that people acting through their own free-will take decisions pertaining to their lives. Participation requires organised efforts to increase control over resources and institutions on the part of the people who have hitherto been excluded from such control. Liberation from domination and exploitation requires that people build up and exercise a measure of counterpower to the dominant interests in the society. Power dominates, Countervailing power liberates.

A process of development as envisaged above, requires that people (the disadvantaged, oppressed and poor) investigate, analyse and understand the socio-economic reality of their environment, in particular the forces which create poverty and oppression and build up the confidence and the capacity through organised efforts to contend with such forces. Conscientisation (critical awareness of the reality, perception of the possibility of changing the reality, and building up the capacity for such change) assumes a central place in the development process. Conscientisation leads directly to organisation and action to break away from

dependency links (dominant-dependency relationships). Each action is followed by reflection and analysis thereby improving the actions and more over, creating space for further action. People's praxis (a progressive action - reflection rhythm) is set in motion. Liberation from forces of domination releases creative energies of the people; the dormant productive forces are activated. A process of capital accumulation based initially on own resources, technological improvements, production and productivity improvements, enhanced resource utilisation is set in motion. People embark upon a self-reliant development process, which at each stage is determined by the people themselves through a progressive interplay of action and reflection and not defined for them from above.

PIDA works primarily with the rural poor in Sri Lanka. An important point of departure for PIDA's work is that rural communities are not homogeneous entities. Existence of contradictions among different social groups having conflicting (rather than harmonious) interests is a fundamental fact of village life. In general, the basic social structure in a village is characterised by the existence of dominant interests (such as traders-cum-moneylenders, landowners, rural elite and even rural bureaucrats) who benefit from the status quo, and the majority consisting of the small and marginal farmers, other peasants, landless workers, and rural artisans who live in poverty. In this context most rural institutions and so called 'neutral' interventions in rural areas by governments as well as voluntary agencies get adjusted to the dynamics of these contradictions and end up by benefitting the dominant interests and perpetuating the status quo.

While there is a conflict of interest between

different classes and groups in the rural society, they are also mutually dependent on one another. These relationships are however asymmetrical in form and assume a dominant-dependent character, an unequal dependency relationship. The small commodity producers (whether small farmers or rural artisan), for example, lose a considerable portion of their income (economic surplus) to money lenders, traders, landowners, elite and the bureaucrats through exorbitant interest rates, combination of low product prices and high input prices (lower terms of trade), high land rents, corruption and other ways. The drain of economic surplus through dependency links (dominant-dependent relationship) creates a process of impoverishment, suppresses the rural productive forces, and keeps the productivity of the rural economy at a low level of equilibrium.

These asymmetrical relationships also create dependency attitudes among the rural poor; mental attitudes and value systems are created to legitimate the dependency relationships and the existing social structure. More over, the poor themselves are not a homogeneous category, being divided on caste and many other issues. They also compete with each other for the limited economic opportunities in the village. These factors, namely dependency attitudes and disunity, inhibit the poor from taking initiatives to improve their lot, and tend to make them non-innovative, non-problem solving, and non-experimental, and acquiesce in the status quo. This in turn reinforces and stabilises the asymmetrical dependency relationships, and a vicious circle of dependency and poverty is created. This explains why it is difficult if not impossible, for self-reliant rural development process to be a spontaneously generated process. A catalytic intervention is, more often than not, a necessary

initial input in the mobilisation, and conscientisation of the rural poor for organised action to achieve self-reliant development.

BRIEF REVIEW OF PIDA'S WORK

PIDA's role is essentially a catalytic one of intervening in rural communities to assist the rural poor to investigate, analyse, and understand the socio-economic reality of their environment, in particular, the poverty generating forces. The essential task of PIDA is to facilitate the mobilisation, conscientisation, and organisation of the rural poor. For this purpose, PIDA currently has a trained cadre of 15 action researchers, and a few more are undergoing training in the field. PIDA will remain essentially small, with a maximum of not more than about 20 action researchers, to facilitate its operation as a collective non-hierarchical group. All action researchers withdraw from the field for a period of about three-four days each month to meet together and reflect on their work and to expose the work of each to the group as a whole. In these monthly action-reflection exercises, actions are continually being reviewed, evaluated, and improved upon. As a collective body, all decisions are taken by the group as a whole through consensus, and all operational/organisational work is carried out by the action researchers working in rotation. An atmosphere conducive to collective deliberation has been created; action researchers live together as a group to facilitate interaction and dialogue when they meet monthly for reflection sessions. The organisation is been run with minimal overheads, without administrative staff or vehicles. PIDA does not maintain an office or any office staff; it has only a simple 'home' to hold its meetings and where action researchers and any visitors could stay.

Currently PIDA workers are operating in a diversified range of rural communities which include small farmers of different types (those with/without irrigation facilities, highland/paddy cultivators, cash crop producing/subsistence farmers, old/new settlers, and squatters or encroachers on state lands), marginal farmers (living partly by cultivation and partly by casual wage labour), landless labour, small fisherman, rural artisans, and women cottage industry workers.

The initial phase of PIDA's intervention in a community is to stimulate the poor to get together and to inquire why they are poor. PIDA workers will investigate and analyse with the people the poverty generating forces operating in the immediate environment. In the case of the small commodity producers (small farmer or rural artisan), for example, these investigations and analysis have often focussed on the magnitude of the income (economic surplus) lost to money lenders, traders landowners, and others through dependency relations. The extent of the surplus drain is often quantified using simple arithmetic for each producer as well as for the producing community in the village. Such calculations often reveal that the small village producer does not even realise one half of the market value of the produce because of dependency relations. The village trader-cum-money lender supplies credit to the small producer at exorbitant interest rates (generally in the range of 200-250 per cent per annum), and with the credit supply there is often a commitment on the part of the producer to sell his produce to the same trader, buy his inputs and consumer goods from the same trader thereby creating further avenues to extract surplus from the producer. Such pre-capitalist relations are a fetter on the development of rural productivity. Initially

people will begin to relate their poverty to forces in the local space; gradually, however they would begin to relate their immediate experiences to the wider social structures to which they are less exposed.

In this way, the interaction between the PIDA worker and the community of rural poor sparks off a certain chemistry. The accumulated knowledge and experiences of the community is integrated with the analytical tools supplied by the PIDA worker which generates a process of scientific enquiry among the poor. People move from sensory perception of their poverty and fatalistic beliefs and attitudes about their abilities, to a conceptual and analytical framework in their deliberations on poverty, and to realise that it is within their power to change the reality. People are now stimulated to explore what they could do to counter the impoverishment process. Small producers, for example, would begin to explore what means are available within their power to retain the economic surplus they are producing. A process of experimentation on alternative possibilities, a trial and error process, may be initiated. Often the first action is to build up a small savings fund and to achieve a measure of group strength and economic staying power. Each action is followed by reflection and analysis so that the next step could be improved. With each action, people gain the confidence in their ability to change the reality. Perception of the possibility of changing the immediate reality leads to the emergence of people's organisations whose structure and operations are defined by the people themselves based on their own experiences and to suit their specific needs.

This process leads to the emergence of internal

cadres and catalytic skills within the organised people's groups. At this point, PIDA workers would gradually withdraw from the scene allowing the people to carry out their work on their own. This, however, is not a total withdrawal. The PIDA worker would begin to devote more of his time to the multiplication of the process in new villages and to arrange periodical interactions among different people's groups within a given locality so that people could share their different experiences and learn from each other.

SOME RESULTS OF PIDA'S INTERVENTION

Organised people's groups emerging out of PIDA's intervention have achieved significant gains in improving their livelihood.

- Organised small producer groups have successfully retrieved the economic surplus which they have lost through dependency relations. Significant gains have been wrested from local level exploiters. As a result, substantial income improvements, in some cases as much as one-hundred percent increases, have been achieved by small producers.
- The ability to retain the economic surplus has created a powerful incentive to increase production by greater utilisation of available resources, through productivity improvements, adoption of improved technologies, cultivation of new crops, and improved access to governmental delivery systems. The productive forces, hitherto suppressed by dependency relations, have been released.
- All groups have set apart a portion of

their enhanced incomes into a group fund. This collective fund has enhanced the staying power of the people to withstand crises and has provided funds to meet emergency family needs (such as illnesses and deaths). More over, an investment process has been set in motion using largely people's own resources and supplemented by credit from outside sources.

Many groups have diversified their group actions by taking initiatives to provide own health services (by the creation of health funds and obtaining training for a member of the group in primary health care - a kind of 'barefoot doctor'), and to organise cultural and social activities.

People have created their own organisations which are non-hierarchical and informal in character. Almost all groups have preferred to remain small in size (generally not more than 25 neighbourhood families). Being small, they are able to operate as collective entities without creating formal offices and delegating the work to a group of office holders. Self-management is a characteristic feature in all groups. Members form into small teams and undertake work in rotation. Groups meet regularly often on a definite day (evening) of the week, reflect on the actions initiated, undertake further social and economic investigations, and decide on new actions. Actions are being internally evaluated by the group itself. In this way, a process of people's praxis, i.e. an action-reflection spiral has been set in motion.

- A measure of self-respect and self-confidence has been introduced into the people's lives. By acquiring a measure of control over their immediate environment, people have been able to gain confidence in their ability to change the reality. People are no longer passive and non-experimental.

- Organised groups have succeeded, in varying degrees, to operate as a countervailing power to the local power structures. They have improved their bargaining power vis-a-vis traders, input suppliers, elite groups, and the bureaucracy. Enhanced bargaining power coupled with greater receiving capacity have enabled the groups to improve their access to governmental services. The process has not been entirely conflict free. People's groups have had to meet opposition and acts of sabotage emanating from the dominant interests. In most instances, these conflicts have been either effectively overcome or have only led to temporary set backs; they have not been effective in weakening the people's initiatives.

- After a point, the organised groups have felt a need to spread the process to other villages thereby breaking the isolation of the original groups. When such new groups come up, interactions have taken place among the groups in the locality. Such inter-group interactions to share experience and to learn from each other's actions have become regular features in some village clusters.

ISSUES FOR THE FUTURE

Our experience is that there is always some politi-

cal and economic space to initiate a process of self-reliant development at the grass roots (village) level. More over, such space does not remain static but expands with each successful action. For one thing, people's confidence in their ability to change the reality is enhanced, and for another, improvement in the economic status of the people and the creation of group funds enhances the people's capacity to undertake further actions. More over, when a number of people's groups emerge in a locality, the isolation is broken down, inter-group interaction takes place, and linkages are forged among groups providing a further source of encouragement and strength. PIDA's experiences in working with a variety of poor groups reveal that a process of mobilisation, conscientisation, and organisation can be initiated under different economic and social conditions and the development process is replicable. These are very interesting and useful results in themselves; people's initiatives have been liberated (within limits of course) and a degree of countervailing power to local power structures has been built up.

What are the prospects of such grass roots initiatives expanding beyond the local level to become a countervailing power at the national level? How far are grass root micro-processes capable of ultimately expanding into national macro-level movements? How far do grass root initiatives represent the first glimpse of a new liberated society? These questions take us to an arena where a single organisation such as PIDA acting alone can do little. There is a need to build a network of linkages within a country, among grass root organisations as well as with 'friendly' organisations, institutions, and groups, so that a protective cover is available for a wider move-

ment arising from grass root initiatives.

Grass root initiatives are still a very controversial animal in many third world countries. Often they have been looked upon with suspicion and sometimes they have been interpreted as 'subversive' moves of some kind. They often run the risk of either co-optation or repression. Hence grass root initiatives need legitimacy and recognition if they are to move away from the marginal place which they currently occupy to the mainstream of social life. They have to be recognised as effective methods of reaching the poor and of fostering participation which is a basic human right. A government committed to 'another development' and to participation as a basic human right, could go a long way in creating the necessary political climate for grass root initiatives to expand into wider social movements. But such political environments are getting increasingly scarce in the third world.

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