

Employment Technology and the Plan

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THE basic objective of planning in our country may be stated as the attainment of true economic independence perfectly matching our economic independence built on the Panch Shila, and as the most rapid increase in the material and cultural standard of living of the people possible under existing circumstances. Employment is but a symbol of material and cultural well being; apart from the self-respect it bestows in the social and cultural sphere it makes possible in concrete ways, in the form of labour, and improvement in material standards. There, again, we would not agree that the best form of employment is good ten hours' hard labour with the spade or the axe every day, but to be employed in situations for which one has been trained and educated. There is also the implied suggestion that my labour should be able to produce the maximum results, that is, my muscles should not do what a machine can do. Employment really means a gradual transition from the philosophy of the dirty hand to the philosophy of the clean hand, at least, the opportunity of soaping it after you have had to dirty it in held or factory. In short when we are thinking of employment and the Plan, we are not thinking of bread alone but a lot more besides, although bread is the first and most crucial problem to be solved before others can arise.

Economic planning is not done by solution of an a priori system of equations of input-output and national product, but is done in an historical way based on the current availability of cadres in every field of economic activity. Any plan which is not realistically formulated on current and probable resources is bound to be reduced to pious wishes. For instance, the Bombay Plan of the 1940s, while it was such good stick to beat a, foreign Government with, was after 1947 found to have been pitched too high. Not much mention of it was made thereafter and the First Five Year Plan did not start a priori an entirely new system of input-output and consumption relations but to introduce certain changes in the relations already existing. Thus in a realistic plan each year's plan revises to a certain extent the relations of the last year

and a solution is found by successive approximation. In any national plan this is chiefly determined by Unavailability of physical resources which largely means the availability of suitable cadres, that is, the suitable ways in which the entire human resources of the nation may be engaged; in short employment. This makes the task manageable in practice-

Hut then it is possible to take either a static or dynamic point of view. The static point of view is one which takes the currently available ratio of cadres in the various fields of employment as unalterable and seeks to distribute the net annual addition to the labour force supposed to be 1.8 million for India according to the old ratios. In spite of much talk about an expanding economy, this kind of static view still prevails in many quarters. Fundamentally, it assumes an ossification of the present balances in society and seeks to strengthen them. In this static view, employment is considered chiefly in terms of bread alone and not much more besides. But there is the other really worthwhile point of view of continuous planning in a wide time horizon, which views employment not in terms of bread alone, but in a continuous translation of cadres from low material and cultural output to higher and better outputs. But here again planning is constantly exposed to the risk of two possible errors. One error is an under-estimate of possibilities and of fixing too low targets, so that the available resources and the willingness of the workers concerned to undertake an effort are not fully utilised. Thus, in the hands of those planners, who under their skin are really adherents of the static point of view, continuous planning in a wide time horizon can easily be reduced to makinr haste very slowly. The other error is to shout at every truly prudent step as sabotage, over-estimate the possibilities and draw up plans that cannot possibly be realized. Recent history is strewn with errors of either kind at horse and abroad. But History may be servitude. History may be freedom.

There is, it seems to us,

At best, only a limited value

In the knowledge derived from experience.

The knowledge imposes a pattern, and falsities,

For the pattern is new in every moment.

And every moment is a new and shocking

Valuation of all we have been

It depend- on how we make use of our experience.

The best way to look at the problem of unemployment and the Second Plan would be to put myself successively in the hare feet of the agricultural labourer, in the cobbler-made chappals of the village or small town artisan, and in the well-made Bat a, not imported, shoes of the engineer or the scientific worker and survey the prospects of my elevation from bare feet under a thinning thatch roof to well made Bata shoes under a prestressed concrete roof within a manageable time horizon. For such is fairly the range of employment which a common mail, neither a poet nor a musician nor a scientist, is within his rights to con- template and legitimately regard as the most rapid increase in the material and cultural standard of living possible under existing circumstances. This would also illustrate how unemployment in the rural and agricultural sector is intimately linked up with unemployment in the technical and scientific sector.

The objective or general purpose of the Second Plan may be stated as:

- (1) Rapid industrialization of the country,
- (2) Modernization of agriculture, and
- (3) Establishment of the economic foundations of a socialistic pattern of society.

These three objectives are interrelated among each other; one cannot be realized without the other two. and employment runs through and through all the three as the cementing bond which holds them together and pushes them forward.

It is but natural that on the conclusion of the First Plan we should realize that rapid industrialization is of the utmost importance because we do not yet produce enough steel or all the ingredients of motor transport, an aeroplane or even photographic, films. But industrialization requires a substantial increase in marketable agricultural output in order to feed

the increasing non-agricultural and strengthen the agricultural population. This requires modernisation of the methods of agricultural production. These must be produced by Industry. Thus industrialization requires modernization of agriculture and, conversely, modernization of agriculture requires industrialization. A similar cycle can be readily discovered between basic and consumer goods industries.

In the Indian context, modernization of agriculture implies the full utilization of the productive possibilities of private peasant farming, that is to say, the full utilisation of labour intensive farming before industry begins to produce conditions favourable to capital-intensive cultivation. In order that full utilization of labour-intensive farming may be possible, the first principles of agrarian reform have to be put into practice and a serious handicap of economic progress removed. This will consist in removing the built-in depressor in the agricultural sector in the shape of rent and share-earning interests who take the cream off the land and leave the actual cultivators with little sustenance. A great controversy has raged over the country for nearly a century but this essential reform still remains to be carried through. Three very simple definitions of malik, kisan and mazdoor have been clouded over with all manner of legalistic niceties in order to preserve the indefensible claim of the malik in a thousand ways, and these niceties have now further sought the shelter of all forms statistical inquiries to stave off the evil day. But all of us are pretty certain that the most unbiased, randomized, quantitative, qualitative statistical surveys, repeated over and over again, will still reveal that almost half of the land is held by maliks constituting less than one per cent of the agricultural population, and almost two thirds of the land-owning kisans hold no more than 1 per cent of all the land. Approximately this ratio is bound to prevail in any semi-feudal agrarian structure, whether in India or any other part of the world. Let us briefly spell out why it is thought that its abolition will not only remove the built-in depressors in our rural economy but boost both our rural and urban sectors.

Apart from the purely rent-receiving interests who do not work at all and whose numerical strength is less than 2 per cent of the rural population, there is also the large section called occupancy tenants who by law hold the most valuable right in land,

but almost 50 per cent of whom do not primarily work themselves. Together they account for not more than twenty per cent of the rural population. Those occupancy tenants, however, who work themselves may be called kisans. Thus the remaining eighty per cent should properly be called kisans and agricultural ma/doors. The effect of giving land to the kisan and mazdoor and reducing their heavy indebtedness will be immediately to raise their standard of living and to give them a new incentive to increase production. In short the removal of the 20 per cent depressor layer will result in a sudden and extensive expansion of the area of operation of consumer goods, improvement in rural housing and village workers, increased absorption of agricultural produce (for the diet of the 80 per cent is woefully subnormal and un nourishing), and full application of labour-intensive practice.

The immediate effect will be on the one hand not only a wiping out of the dreaded technological unemployment among artisans but fuller employment, of them resulting in their asking for more machinery, and on the other hand a very effective halting of the descending spiral of agricultural prices owing to the fact that more food will be held for consumption by the producers themselves. Thus a big consumption area which has so long been artificially depressed in a state of dormancy will operate freely and absorb the artisan's handicraft and the peasant's produce to quite an indefinite extent. Thus on the one hand agrarian reform will considerably reduce the large agricultural surplus population by distributing land to unemployed kisans and underemployed mazdoors and on the other hand, by raising the peasants' incomes will create a market for industrial and technological expansion in the place, by abolishing unearned profits which are now largely spent either on luxuries, or at best, in maintaining an unproductive class in relative comfort. Moreover, it will increase the resources disposable for purposes of accumulation. Only when such a reform is achieved is it possible to introduce cooperative farming, the truth being that the more prosperous the working peasant, (as distinguished from the rich non-working tenant owning occupancy rights but not working himself) becomes on his individual farm, the more amenable he becomes to the idea of co-operation. By developing fully the possibilities of individual farming, he

realizes its limitations and comes to understand that a further increase in his prosperity requires the adoption of cooperation.

The present extent and trend of land reform, however, falls short of these objectives.

We have seen how in the absence of further reforms the temporary progress in agriculture may bring about a descending price spiral which will have the effect of ultimately retarding agricultural production. If such a condition prevails in the rural areas, it automatically means a restriction in the use of consumer goods. This in turn demands that the production of certain consumer goods be frozen at the existing levels of production in factories, that labour intensive methods lie embedded in the sector of hand industries and more and more money be pumped into this sector which, composed as it is of the small producer, the independent worker, the craftsman and even co-operatives, is naturally enough the most vociferous, and audible.

It might be possible under such conditions for a time to increase the national product by employing more labour and proportionately more means of production on the basis of unchanged methods of production only in the same proportion as the output of consumer goods for the additional labour force employed. The moment, however, labour is fully employed any further increase in national product requires increased productivity of labour and hence adoption of progressive methods of production. This results in the necessity of increasing the output of means of production faster than the output of consumer goods.

In a similar way industrialization implies a faster rate of increase of industrial output as compared with the rate of increase of agricultural output, in the first stages of planning. Thus though the objective of "rapid industrialization with particular emphasis on the development of basic industries" is fundamentally incompatible with the fear of technological unemployment requiring "regulation of the pace of technical progress in selected industries," yet, if the rate of increase of agricultural output is restrained the whole chain is bound to kick back violently in reverse, which leads us to the enormous difficulty of not only absorbing what technical and scientific skill that already exists but of further absorbing fresh annual additions in the cadres.