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## EDITORIAL

This collection of articles on a number of important issues in Indian economic, political, and social development contains analyses and discussions on the macro- and micro-level. The contributions are also diverse with respect to the theoretical perspectives and approaches chosen to address those issues. Together they provide essential pieces in the puzzle of understanding not only present difficulties confronting the country embarking on a venture into new and unexplored waters which was largely forced upon her from outside, but elements of her social and political fabric too which are deeply ingrained, historically rooted and most likely to stay for a long time to come.

India is too big a country, too diverse in all important respects, in order to be understood easily from a unified point of view. The contributions bear witness to this impossibility of easy explanations, rather they illustrate the broad range of issues all of which have a bearing on the potentials and constraints for her future development. As such they are standing each one by itself as well as representing the enormous complexities of the issues to be dealt with by Indian society and its leadership.

The paper by *Rameshwar Tandon* describes roughly four decades of experience in economic, mainly industrial, development in India, largely based on a strategy of self-reliance until very recently. It traces the roots of progress and stagnation discussing the explanations brought forward in India. It presents the main structural elements of the development process and identifies a major element of change, namely the increasingly obvious fact that the industrial economy has become less sensitive to the performance of the agricultural sector, thus beginning to cut into the age-old dependence of Indians on the vagaries of the monsoon.

*Waltraud Schelkle* discusses long-term economic development from a monetarist point of view which is rarely found in the literature on Indian development. She emphasizes the problems and difficulties encountered by a redistributive regime characterized by an increasing emphasis on the politics of redistribution, i.e. the capacity to execute and monitor redistribution, at the expense of building a stronger productive capacity. She maintains that the emergence of a highly regulatory system led to a paradoxical economisation of politics as the government took on all kinds of responsibility and thus was made accountable for all kinds of failures. However, it was not a strong but a weak state whose legitimacy was dependent on — rather modest — economic success which the regulatory system undermined. In order to stabilize the country's economy Schelkle claims that the high internal (and external) debt has to be reduced confronting the government with pressures to reform the redistributive regime, to reform the currency, to reduce government deficit and, relieve productive firms from distress lending, a consequence of high interest rates.

The accumulation of the central state's financial responsibilities had a disadvantageous effect on the transfer of resources for development to the individual member states of the Indian Union, as *Pritam Singh* shows for Punjab. Since the member states are highly dependent on the centre for discharging of their responsibilities for development they are confronted with the interest of a unified and integrated Indian nationalism creating

a conflict with the states' urge for a higher degree of autonomy and their own emerging nationalism. The growing dependence of the states on loans granted by the centre (at high interest rates) has led to an increasing indebtedness of the states putting a heavy burden on the states' non-developmental expenditure. This situation was exacerbated by the low efficiency of public expenditure. In the case of Punjab, having the highest per capita income the state receives the lowest per capita resource transfer from the centre. This not only creates conflict between Punjabi nationalism and the role of the Indian centralized state in building Indian nationalism, but also to the increased general demand by the states to redesign the relationship with the centre.

Two contributions discuss important issues of development in rural India. *Ben Rogaly* attempts to explain the diversity of labour arrangements in the rural economy. They represent essential elements of the growth process in the rural areas and a determining factor of the social conditions of the lives of agricultural labourers in particular. The author carefully evaluates the most important theoretical approaches to the question, via the labour market and via labour relations, finding only partial explanations for the coexistence of forms of freedom, multi- or single-standed attachments, tied and interlinked labour arrangements, all reflecting different accumulation strategies. Rogaly argues that this wide variety of forms has to be more scrupulously contextualized. To some extent they can be explained by employers' strategies for labour management and social control and, more generally, have to be understood as conflicting interests on the one side and as depending to some extent on employers' and labourers' cooperation.

*Neil Webster* directly addresses the question of the role of cooperation in the rural sector. He investigates into the conditions of the formation and working of grassroots productive cooperatives in West Bengal. The "room for manoeuvre" for cooperatives is explored and an in-depth discussion carried out of the possible kinds of cooperation. A careful analysis of the multiple conditions for their sustained existence reveal a number of factors enabling marginal or depressed groups like scheduled castes, women and ethnic groups to realize their entitlements. It appears that among other things the role of local political activists as facilitators and a history of political activism in the locality constitute essential factors for the creation of cooperatives. This gives rise to the hope that the state can play an important role in the realization of entitlements of marginalized groups.

Besides the main focus on India this issue contains an article on the emergence of regional organisations in South-East Asia by *Kenneth Christie*. Out of concern for economic security a number of regional organisations emerged recently, particularly in East and South-East Asia. The author investigates into the problems such organisations may encounter. A major problem constitutes the lack of existing trade practices among the countries in question which may result from the diversity of the economies. Usually such attempts to form regional organisations in the Third World do not receive support from the industrialized countries which view them as steps towards more protectionist entities. This raises the question whether the developing world can initiate regional organisations of their own.