'Tis a common proof
That lowness is young ambition's ladder,
Whereunto the climber-upward turns his face;
But when he once attains the utmost round,
He then unto the ladder turns his back,
Looks in the clouds, scorning the base degrees
By which he did ascend.

Julius Caesar, Act II, Sc.i: Shakespeare
CHAPTER IX
VESTED INTERESTS:

The phenomenon of vested interests is central to the theory of social change. It has a central significance in discussing the social system changing from one pattern to another. The present chapter deals with the structure and transformation of vested interests during social change. Generally, resistance is offered by vested interests to the new pattern. As we mentioned earlier, India is changing from one pattern to another in terms of the theoretical model of pattern-variables. As a delignation from the rest, vested interests will be treated as supporters of the existing pattern which is being changed through planned development.

It is the interest in maintaining the present levels of gratifications of the established system of 'role-expectations' which are actually 'need-dispositions'. It refers to maintaining the present conformity levels of 'institutionalized expectations.' As such, the phenomenon of vested interests always lies in the background of social change\(^1\). Parsons argues that except two types of institutionalized changes viz.,

\(^1\)Talcott Parsons, \textit{SOCIAL SYSTEM}, p.492.
that of socialization period and in the investigation of science, in the sense that changes are expected rather than effected—all other changes are to be encountered by vested interest phenomenon. In fact social change depends on the successful overcoming of vested interests.

The "established system of role-expectations," needs a stabilized 'stable state line' of interaction wherein the "input and output of motivational energy" of actors maintains the 'stable state line' of interaction. This is to say equilibrium is maintained. The equilibrium is either steady or a moving one in relation to the environment notwithstanding the variations within certain limits. That is to say the constancies of pattern, maintains 'boundary,' 'relative to its environment'.

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2Ibid., pp. 491 and 504.


4Ibid., For input and output of motivational energy see Ibid, pp.208-219.

5Parsons, SOCIAL SYSTEM, op.cit., p.432

6Ibid.
The boundary-maintenance aspect involves two processes for the maintenance of equilibrium viz., allocation and integration. Allocation means, "distribution of components or parts of the system," and integration means the maintenance of distinctive internal processes in relation to the fluctuations in the environment. This self-maintenance is related to the distinctive internal arrangements, which also implies control of environmental changes as well as changes coming from within the system. This leads us to the recognition of the system of allocation of rewards and facilities for the role-incumbents in a given social system.

The cardinal problem of allocation is that of "who is to get what, who is to do what, and the manner and conditions under which it is to be done." Generally this problem is tackled by the process of socialization and normally works out by itself. But it needs a generalized reference in the form of institutionalization. So the first task of allocation is that of allocating human capacities among tasks. But when tasks change the resources should also be changed, thus reallocation must occur. As a generalized criterion all social systems

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someway or other regulate the flow of the incumbents by the "possession of qualifications." Facilities should be given to the role-incumbents so that the role-expectations could be fulfilled which are instrumentally significant. These facilities may either be social, non-social or cultural but they are of instrumental significance. This possession of facilities is related to the claimants for such possession on one hand and possessors on the other hand. Thus the allocation of facilities is related to the problem of 'power'—it could be used to achieve goals and to inhibit others from interfering or tampering with. So the allocation of power as an item of stratification is an important aspect. Otherwise the social system may disintegrate if this allocation is not widely accepted and the relevant value system is not internalized. Then there is the question of allocation of rewards. This will help develop the necessary motivational orientation of the contenders for facilities. Rewards are also prized for their scarcity and intrinsic values. Prestige is associated with the possession of reward-objects. Quite often the rewards and facilities interchange their instrumental and gratificational significance, and add to their continued acquisition by the actor. Unless this change is properly integrated it may prove to be quite harmful to the social system. Internalization of value-patterns is one way of integrating the social system. This is to say the common value-patterns
are institutionalized. This constitutes the mechanism for the integration of the social system.

Parsons proposes four evaluative standards for ranking the units of a social system in a hierarchy. They are as follows:

The first is one of "universalism" as a norm in "cognitive dimension." The second one is related to its performance, by which specification of system-goal or unit-goal is made. The third one is one of system-integrative, in which the contribution of the unit to maintenance of other units in the system is evaluated. The fourth is concerned with the regulation of stability and change in "ascriptive-qualitative" dimension.

Apart from the evaluational criteria of social stratification of Parsons, Moore and Davis propose a slightly different version of the functional theory of social stratification. In addition to the adequacy of evaluation they extend the argument that some positions in a social system are more important than others and hence arises the necessity of creating differential

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8Ibid., pp.197-204.

rewards and facilities for the role-incumbents.\textsuperscript{10}

When differential rewards and facilities are institutionalized in a social system the problem of social mobility assumes a central place during social change. Social change will be smooth if upward mobility is on universalistic-achievement basis and it is tortuous if it is by particularistic-ascriptive basis. If the social mobility is based on the former it is called open society if it is based on the latter it is called closed society. But the issue is how during social change these closed boundaries are opened and/or resisted by vested interest groups? Sometimes or other these vested interest groups might have utilized the mechanisms of social mobility and attained the present position\textsuperscript{11}, and their specific interest lies in


debarring other incumbents to reach their position and hence their interest in keeping the given level of gratification.

As is always the case the mobility is upwards in the sense that orientation of goals is formulated, the resistance by "superordinated" strata of "subordinated" strata is evident. The Indian caste system is a case in point where the theories of dharma and karma and transmigration of souls allows such type of stratification from religious values. By definition of allocation it is imperative on every social system to select and choose the "best fit" for role-performances in order to continue the motivational orientations of its members toward its system goals. This could be seen in the hierarchy of castes in India. But the basis of such allocation is not universalism and achievement but it is based on birth and past actions. Only in the succeeding births could one rise in the hierarchy of prestige and caste ranking. So one has to endeavour in one's own station of life thus rigidifying the stratification system.

The thesis is that some members of the strata significantly change their status during institutional

The thesis is that the motivational level of different groups exist on differential basis and also with the gratification level. So the recruitment to higher positions from individuals of high strata is functional to the system. These individuals have achieved the status by "deferred gratification."
changes, by the available methods of mobility such as education, political power, wealth, occupation etc. But the rigidification comes when once they attain certain positions in the hierarchy. The roadblocks are placed to bar mobility for others to join ranks and to resist further institutional changes to safeguard their positions. This process is traced to the formation of elites based on achievement and excellence criteria. These elites form a class at a later stage. When the class consciousness develops the rigidification of strata too begins. This process is continuous since a sort of schism develops in this social class level and further differentiation takes place into those of proponents of further changes and those who oppose change. This is related to the formation of 'elite' groups at stratum level. The same elite group forms 'social class' at interstrata level.

From the general meaning of Pareto, the term 'elite' has changed its scope and significance in decades after him. Here the definition is adapted from Mabel who summarises as follows:

"In other words, elites, as here understood, must have some degree of corporateness, group character, and exclusiveness. There must be barriers to admission. The people said to form an elite must be aware of their pre-eminent position and all that it entails as something which they enjoy jointly and which sets them off from other people; which means, they must form a
more or less self-conscious unit within the society, with its particular entitlements, duties and rules of conduct in general. Above all, the pre-eminence of the position must be regarded by the members of the elite as well as the rest of the society, as belonging to the former not fortuitously, because of some possession, experience or interest they happen to share, but by right—by a corporate right which is not within the reach of everyone.

Nadel gives the meaning of class to elites, such as "consciousness," "boundary-maintenance," and a set of "normative standards." These elements need not be present in the beginning of the formation of elites. Nadel introduces the criterion of 'achievement' into the concept of elites. This achievement pattern may be of varied nature. He maintains that

"people are paid deference in consequence of some attribute they can lay claim to—a skill or virtue, special knowledge, material possessions or resources, a measure of power. And it is clear, further, that if deference is being paid to people owing to such skills, virtues, etc. then these represent qualities commonly valued, the possession of which is regarded as important and desirable, that is, as a benefit. Let us say, then, that high status indicates a position whose occupants have greater access to or command over benefits than have others, and are paid deference because of this."

125 P. Nadel, "The Concept of Social Elites," International Social Science Bulletin, VIII(3), 1956, p.415. Nadel further says that the terms 'elite' is not co-terminous with 'high-status' and 'organized group.'

13 Ibid., p.416. The deference paid to the charisma of Brahmans is a case in point.
To access to greater benefits or resources is one of the attributes of the elite group. Skill—by possession of which an incumbent is provided with access to more resources which is a problem of allocation\textsuperscript{14}.

As has already been indicated in the beginning of the chapter, vested interests may form at any interactional level. Sometimes it is quite possible that formation of elites and vested interests is co-terminous as could be shown in the following example.

In the caste-ridden society of India Srinivas identifies two processes of social mobility wherein a lower caste tries to elevate its position by Brahminization and westernization\textsuperscript{15}. These processes may go on either individually or both together. The latter process may be found even in the so-called upper castes.

A simple differentiation appears to be necessary to understand these two processes of caste mobility. To begin with castes are strata with boundary-maintenance and the membership is by birth. Sanskritization is a

\textsuperscript{14}Damle suggests 'skill' as one of the criteria for higher emoluments in any social structure. See F.B. Damle, \textit{SOCIAL DIFFERENTIATION AND DIFFERENTIATION IN MODERN EMOLUMENTS? (Ponam: Leccan College Dissertation Series 16, 1955), pp.166-167.}

\textsuperscript{15}For a fuller discussion of these concepts see M.N. Srinivas, "Note on Sanskritization and Westernization", \textit{Far Eastern Quarterly}, 1(4)1956, pp.481-496.
process wherein a lower caste imitates the higher caste and thus elevates its status. This process occurs within the broad realm of the caste. Certain person or persons begin to differentiate themselves by following the Brahmanic model of the rules and rituals to enhance the status of the group from the rest of stratum to which they belong. This elite formation in the larger group we call as 'traditional elite'. In contrast to this there is the 'secular elite.' Traditional elites are those groups wherein they utilize the existing criteria of allocative and integrative resources and raise the status in the existing caste hierarchy. It is predominantly ascriptive. Actually the above illustration depicts an intermediate case wherein certain ascriptive and achievement criteria are utilized. For example western education can definitely be placed in the achieved category. But the second polar concept is purely based on achievement criteria. It may not be possible to differentiate the two in empirical situations. Even in the so-called ascriptive cases there is an element of "rising to the occasion" and performing the role-expectations. The

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problem of intermediate types will be discussed in the chapter on Transitional Anomie.

As the differentiation of elite goes on, their movement within strata and interstrata needs to be differentiated. For movement within strata let us call it as "rotation" and for movement between strata let us call it "circulation." These two terms need some explanation.

The rise of status is shown to be within the caste. It has no reference to other castes except that of its imitation. The elites are formed by simple imitation differentiating themselves from the rest of the caste members. So here the problem of movement is within the caste. This is called rotation. But when the movement between strata is concerned the problem is one of 'circulation.' Then the criterion of strata membership is lost. So the actors who come out of strata are not homogenous in their orientational aspect, although empirically it is quite possible that all the new elites might have come from a single stratum. The secular elite composes a heterogenous element in its group because of the presence of several value-systems in different strata and also because of their mobility to on differential criteria of 'rise' in the social status.

It is quite possible that the rise of status of
different castes in villages could be raised by the legislative measures of the Government. The Community Projects, Panchyats, and Cooperatives industrilization and economic development form some of the points wherein the castes could raise their status. Consequently the formation of elites is one of the empirically given facts.

With the impact of these external forces the ideology of castes changed. If a caste's purity is maintained by the "possession of knowledge of sacred texts, diet, purity of occupation and freedom from manual labour"\(^{17}\), then by the process of brahminization this anomaly is resolved and the status of the caste is raised.

Castes move city-ward to improve their status through getting socially prized occupations as far as possible\(^{18}\). The factors which influence caste-system, are really the factors which influence the formation of


elites. Hence their characteristic division into traditional elites and secular elites. Generally the factors are "education, rationality, democracy, urbanization and industrialization\textsuperscript{19}". If these factors really help to form the new elites then by the denial of the same other castes can monopolise the benefits of these new factors.

When such fights as inter-caste fights ensue, it is really the elites who are competing for the possessions of rights or privileges. In fact the elimination of Brâhmans from jobs in different states is a case in point\textsuperscript{20}.

Factions of different castes are formed to compete with other castes from attaining certain ends\textsuperscript{21}.

\textsuperscript{19}V.C. Damel, "Caste in India," Poona University Teachers' Social Science Seminar, 1956 p.4. Mimeographed.

\textsuperscript{20}K.N. Srinivas, "Castes: Can They exist in India of Tomorrow," The Economic Weekly, VII(42), 1955, p.1232

\textsuperscript{21}C. L. C. G. S. Lewis, (with the assistance of H.S. Dhillon) GROUP DYNAMICS IN A NORTH INDIAN VILLAGE: A STUDY OF FACTIONS, (New Delhi: PCE, Planning Commission,1954), pp.1-41. Pamphlet. Also as articles in The Economic Weekly, VI(15-18) April 1954, pp. 423-425; 445-451; 477-432; 501-506. The authors actually show how factions are filled with family kin groups and how communication is easily effected by such kin-groups.
Srinivas shows how castes use elections as platforms to rally round and see that other caste's candidates are defected.

Tensions develop between status-seekers of different castes, when the established rank-ordering is tampered with. The prevailing equilibrium continues as there is no disturbance and for the moment there is a status-disqualibrium there is a "Social flare-up." When new castes emerge the inerctional situation with the old castes becomesproblematical. The origin of Nav-Buddhas [Neo-Buddhists] is a case in point. Where there is a youthful leadership present the assimilation is smooth and where the old leadership is continued in Panchayats and other rural institutions the attitude is one of indifference. The welfare of the lowest castes is not cared for since the domination of the higher castes in the Panchayats is evidenced.

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23V.K. Kotheurkar and V.V. Pendse, "A Study of Social Prejudice in three Villages: The Problem of Nav-Buddhas," Poona University Teachers' Social Science Seminar, 1960-61, pp.1-10. Minsographed. The authors showed in the village Dehu, the co-working of Nav-Buddhas and other castes together in Factory situations helped to bring out the necessary understanding to live in harmony between them. Obviously it is a case of urban influence.
During the economic development, the rural institutions are also dominated by the vested interest groups. In the decision-making institutions, and in the economic benefits receiving-end and in the social structure, the influence of vested interest group is evident. The advantage lies with them due to their command of resources, facilities, power and prestige, they could as well immediately take over the new institutions rapidly due to their pre-dominant position. This is quite evident from the fruits they reaped of the community development, domination of panchayats, and cooperatives. Even in the case of land reforms, even while they were in incubation period—the landlords were able to evict their tenants under the guise of voluntary surrenders. These landlords are interested in maintaining a supply of cheap labour to work their lands. They sometimes keep their land fallow to avoid competition and thus maintain an unending flow of cheap labour.

The community Development programme inspite of its determined approach to help the underdog, failed to do it

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24 Second Plan, p. 187. "In implementing this recommendation of personal cultivation over the past three years, it has been observed that this approach calls for safeguards for reducing the risk of large-scale ejection of tenants." Ibid., emphasis added.

because the land improvement methods, the improved seed and improved techniques have helped the large cultivators. Table No. 1 shows the relative yields according to the size of the holdings.

**Table No. 1**

Showing Differential Yields, by occupational categories.

<table>
<thead>
<tr>
<th>Occupational Category</th>
<th>% of respondents in the category who say that their crop yields have increased</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Cultivators</td>
<td>72</td>
</tr>
<tr>
<td>Medium Cultivators</td>
<td>55</td>
</tr>
<tr>
<td>Small Owner Cultivators</td>
<td>31</td>
</tr>
<tr>
<td>Tenants Cultivators</td>
<td>20</td>
</tr>
<tr>
<td>Cultivator Labourers</td>
<td>26</td>
</tr>
</tbody>
</table>


Even in the case of this landed gentry, who control the affairs of the village with their authority and power have occupied the positions of strength--Table No. 2 shows how land as prestigious resources helps to command respect when the incumbent is a landlord of the village. The entire stratificational elements are found again entrenched in the new Panchayati raj. In terms of caste, in terms of land-owning, in terms of respect-commanding
and finally in terms of wealth the vested interest groups are dominating the rural scene, even in these days of rapid social change and community development.

**Table No. 2**

Showing the socio-economic status of Panchayat Presidents and members.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>% of total No. of members</th>
<th>% of total No. of presidents</th>
</tr>
</thead>
<tbody>
<tr>
<td>i) Ownership of land:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Landholders . . . . 88.1</td>
<td></td>
<td>95.7</td>
</tr>
<tr>
<td>b) Non-Landholders . . . . 11.9</td>
<td></td>
<td>4.3</td>
</tr>
<tr>
<td>ii) Financial Status:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) High . . . . 69.3</td>
<td></td>
<td>97.9</td>
</tr>
<tr>
<td>b) Low . . . . 30.7</td>
<td></td>
<td>2.1</td>
</tr>
<tr>
<td>iii) Weather respected:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Yes . . . . 93.4</td>
<td></td>
<td>89.4</td>
</tr>
<tr>
<td>b) No . . . . 6.6</td>
<td></td>
<td>10.6</td>
</tr>
</tbody>
</table>


Even in the case of benefits received from co-operative societies, the largest chunk of credit requirements went to the coffers of influential landlords. Table No. 3 shows that a highest proportion of credit has been received by landlords who owned more than ten acres. Although the emphasis has been laid for the middle peasant to receive benefits the pattern of domination and tenure are helpful in securing the facilities and thus rewards by the institutional arrangements. Table No. 4 shows the
pattern of domination by Presidents and Secretaries of cooperatives who stayed in office saying that others are not competent enough to discharge the duties laid down in the law. It is not the question of the knowing of duties but it is the question of sheer domination. For that matter in the case of panchayat presidents it was found that 50% of the presidents do not know the rules of the panchayat and its organization. The simple possession of land and through it the prestige and economic power helped these presidents to control the entire village development institutions.

Table No. 3

Shows the relative amount of credit received by occupation groupings.

<table>
<thead>
<tr>
<th>Size of Groups</th>
<th>1956</th>
<th>1957</th>
<th>1958</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Large</td>
<td>Small</td>
<td>Large</td>
</tr>
<tr>
<td>Above 75 acres</td>
<td>69.7</td>
<td>71.1</td>
<td>54.0</td>
</tr>
<tr>
<td>25-10</td>
<td>78.3</td>
<td>85.0</td>
<td>52.1</td>
</tr>
<tr>
<td>10-5</td>
<td>79.1</td>
<td>82.8</td>
<td>62.1</td>
</tr>
<tr>
<td>5-2</td>
<td>71.5</td>
<td>81.6</td>
<td>65.5</td>
</tr>
<tr>
<td>Below 2 acres</td>
<td>63.0</td>
<td>68.6</td>
<td>50.2</td>
</tr>
</tbody>
</table>

Table No. 4

Showing the domination pattern of cooperative societies.

<table>
<thead>
<tr>
<th>Posts</th>
<th>Large Societies</th>
<th>Small Societies</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number from Col.2</td>
<td>Number from Col.5.</td>
</tr>
<tr>
<td></td>
<td>of Societies 'others'</td>
<td>of Societies 'others'</td>
</tr>
<tr>
<td></td>
<td>wherein 'not agree'</td>
<td>wherein 'not agree'</td>
</tr>
<tr>
<td></td>
<td>office 'compétable'</td>
<td>office 'compétable'.</td>
</tr>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
</tr>
<tr>
<td>President</td>
<td>11</td>
<td>9</td>
</tr>
<tr>
<td>Secretary</td>
<td>9</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: Ibid., p. 173.

Hitherto the discussion has referred to the formation of traditional elite by the principle of rotation. Quickly these elites are frozen into vested interest groups so that social change is thwarted. To avoid this situation Government by their rural machinery of change are trying to form elites based on a broader principle. The village level workers, Social Education Officers and others who work at rural level are charged with the task of finding out possible leaders and training them as future leaders of decision-making authority in the rural transformation.
The principle of finding leaders at village level is emphasized by the theorists of community development. When old and tested norms are threatened by new and unreliable norms, immediately the ranks are closed around traditional norms and thus solidarity is maintained.

The vicious circle must be broken. The problem is of re-orienting the leadership towards goal attainment of the newly defined situation. The leadership of the 'social-emotional area' must be distinguished from the leadership of 'task-orientation area' so that changes could be carried out smoothly. The instrumental leaders are trained in special orientation camps about the working of Panchayats, the art of Government administration and community projects.

26. As Tumin says: "The effectiveness with which traditional leadership can sabotage projects is matched by the ease with which marginal leadership can overcommit the community and the developers to unrealistic goals, thereby insuring a defeat equally as decisive as the sabotage of the traditionalists." as reported in Irwin T. Sanders, Community Development and National Change, Summary of Conference, Endicott House December 13-15, 1957 (Centre for International Studies, MIT: 1958), p. 50.


Cf. Wales also arrives at the differentiation of group tasks and the concept of 'socio-metric star' shows the interaction of group members with the leader. See WORKING PAPERS, op. Cit., pp. 139-140.
so that these leaders after reaching their tasks and their training substantially helped to overcome certain difficulties which are encountered initially in the wake of community development. The local leaders are being taken as part of the local situation. The idea behind this programme is to help arriving at the decision-making part of the CDP so that the participation will be widest.

When the scene changes to urban setting the possibilities become numerous to enhance the status and to rise socially in status. The rural scene as depicted by the caste-hierarchy is a fixed and rigid one, yet there are some trends towards the formation of secular elites. But the shift of the rural elite into urban elite is more phenomenal. Due to the principle of rotation the possibility of rise in the status is definitely inhibited. The inhibition is almost withheld in the urban setting. Much of the lower castes' shift to urban areas— is to be seen in this light. In the rural area the social status and economic

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opportunity are interrelated. The interrelation is almost broken down in the urban setting by providing opportunities. The shift to urban places is even to be found in the upper castes. Education, better occupational opportunities, political and economic advantages take the upper castes to urban places and these in turn form urban elites. These urban elites are secular due to their heterogeneity and the differential criteria of recruitment to urban institutions. The different occupations are varied and the castes involved in these jobs are still varied. These occupational groups form into urban elites. Under urban elite comes the Professors, doctors, lawyers, businessmen, engineers, supervisors, teachers, shopkeepers, entrepreneurs, political leaders and many others with innumerable

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The failure of interdependence of castes as depicted in the Jejmani system /system of payment to hereditary servants/ and abolition of Jamindars (Feudal lords) helped the migration of lower castes towards towns. See N.N. Sharma, op.Cit., p.25.

status evaluations. These elites are recruited from rural elites, regional elites, and a host of other groups with innumerable status evaluations. Thus urban and rural elites are in a continuum. The principle of 'circulation' helps from this type of 'secular elite.'

The basis for recruitment into secular elite is 'achievement.' Lasle summarises the recruitment aspect of the urban elite as follows:

"A person belonging to a low caste would suffer from low status in the rural set-up, no matter whatever his qualifications and attainments may be. He would be debarred from equalitarian types of interaction with other castes. The same person would be interacting freely and on terms of equality with his peers in the urban society regardless of caste differences. The ascriptive basis of caste is firmly rooted in rural society; thereby determining a person's status irrespective of performance. In the urban set-up, however, status can be achieved by conforming to objective criteria such as education, occupation, wealth etc."

Objective criteria of achievement are more important than ascriptive criteria, in the urban


setting. But it is quite possible the criteria may
change. This will be shown as the discussion proceeds.

There is a tendency for elites to form class.
The interaction of this heterogeneous mass leads to
the development of class consciousness. The chief
element of this consciousness is that of the knowledge
of its vanguard nature for the rest of the society.
The quality and achievement which has fallen to their
lot is something of a boon. This consciousness leads
to the rigidification of the elite groups and the
barring of membership for outsiders. This sort of
rigidification i.e. by creating a boundary and
actively debarring the entry into the ranks is inimical
to the social system. Dealing with this aspect of the
problem Rajjit Singh says, that 'where classes are

32 Here comes the criterion of consciousness of

33 Nadel believes the concept of 'circulation of elites'
as defined by Pareto is too simple and generalistic
and hence cannot be applied to concrete situations.
However he accepts, in the very nature of things
that elites are fluid state of groups wherein the
changes in the central ethos of a society will
inevitably lead to the formation, rigidification and
disintegration of the elites. He feels that the
present knowledge in sociological and anthropological
science is too scanty to study this aspect of the
problem empirically. He raises the bogey of 'value
judgement' in any study to understand this aspect of
elite groups. Ibid., p. 473.
elites, social stratification takes its worst form but where elites are a class the goal of a classless society is achieved\textsuperscript{34}. The point that classes should be open or otherwise rigid castes will form with closed ends. This is opposed to the view presented by Marxists\textsuperscript{35}.

In India the urban elites "belong to the middle class than to the propertied class\textsuperscript{36}". Where the class and elites coincide, the problem is that of the study of vested interests and mobility. Mobility is put to a stop no sooner than the elites form a class.

\textsuperscript{34}Baljit Singh, ELITES OF UTTAR PRADESH: THEIR COMMUNICATION PATTERN (FIRST REPORT), (Lucknow: J.I., Institute of Sociology and Human Relations, 1957), p.3. Mimeographed.

\textsuperscript{35}Classes serve social functions and hence their elimination seems to be illusory, See Arnold C. Anderson, "The Need for a Functional Theory of Social Class," (Revision of a talk delivered at the annual banquet of rural sociological society, Stillwater, Okla.; September 5, 1953), Rural Sociology, XIX (1-4), 1954, pp.152-153. Anderson argues by ordering the classes the conflict is avoided, Ibid., p.152. The question is not of their functional significance but their rigidification which hinders circulation. For Marx it is the question of ruling class and for Pareto it is the problem of minority rule. Raymond Aron summarises the problem as one of reconciling Marx's class and Pareto's minority 'elite'. For an illuminating discussion of these problems as depicted by Communism and Fascism see Raymond Aron, "Social Structure and the Ruling Class," British Journal of Sociology, 1(1) March and (7) June, 1950 pp.

\textsuperscript{36}Baljit Singh, ELITES OF UTTAR PRADESH, op.Cit.,p.3.
In India the elite groups are to be found in the middle class and hence their importance for study. The class is heterogeneous\textsuperscript{37}, with middle status conflicting values and style and sometimes unconnected with the income limit.

The heterogenuity element is a boon and a curse at the same time. By heterogeneity the strict boundary maintenance becomes impossible and the ends are open for the recruitment of members from other groups. Particularly the development of central ethos is thwarted for closing the recruitment and thereby the mobility of the social system. The composition is made possible by the multitude of elements from different sectors serving different purposes of the class with differential degree of effectiveness, to the system-goals. But it has got its hunch during strains and stresses—immediately the vicious circle of rigidification occurs on familiar level which is known to Indians since ages.

\textsuperscript{37}By and large the middle classes have sprang from the lower classes, or in some cases by the deterioration of the position of the former upper classes. In many cases they represent the older middle classes—a hangover of the past—who have not been eliminated by the rise of industrialism but rather retain their important function of governance and administration.” Nasik Ahmed Khan, MIDDLE CLASSES IN INDIA, (Prakashan Shiksha, Information Department, Uttar Pradesh, 1958), p.7.

\textit{Ibid.}, p.47.

i.e. by forming sub-groups on caste basis.

In fact the middle classes are dynamic classes by the very nature of their achievement criteria in their chosen field of social activity. But this dynamism is lost as soon as the "principle of rotation" begins to play its part in the formation of vicious circles.

Elites, as a problem of social mobility, are formed on individualistic achievement basis. But soon the elite reaches its end-goal, other problems crop up. For example the kinship comes in the way and rigidification begins. Mobility is debarred to outsiders by assiduously sticking to their ranks such as kinship groups. It has already been shown that in the formation of factions at the village level kinship played a dominant role in the formation of closed groups by the process of 'rotation'.

When an individual rises in the social ladder it is not only he that rises but also his family.  

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38 The middle class ties are not individual ties. It is a family and not an individual who belongs to a class and it is the family and not the individual who moves in and out of a class. A family is tied to the middle class in the country not by its economic relations, occupations or property but by the network of family relations that extends through kinship bonds of generations to a large number of
So in these family and extended kind group circles the mobility threads of the society are mortified. The kin relations tend to close the gates for new incumbents. Even when working class men attain the status by virtue of education and occupation they find it difficult to be assimilated in the class. This 'nepotism' appears to be a barrier for the lower castes to their upward movement.

Another illustration will suggest how a privileged elite tries to inhibit the rise of lower castes in the occupational mobility. Railway Board had entertained certain applications for promotions along with others who were already due for their promotion. The incumbents called for interview include High Caste Hindus; or as regards service, those who stand senior to the others who were in the backward classes' list. When the panel of interviewers was notified, the


Cf. 'The social class embodies traditions and attitudes evolved in the home, influences more intimate and powerful than textbook learning. The absorptive power of a class is therefore far greater than that of any intellectual corps d'elite, and the changes it can bring about in the individual who enters it are more decisive. It absorbs families rather than individuals, and derives from them its strength.' Roy Lewis, Angus Naude, THE ENGLISH MIDDLE CLASSES, (London: Phoenix House, 1949), p.109.

former complained and filed a writ petition in the Court of law.

The petitioners, who are all high caste Hindus, submitted that if their juniors were selected to Class II posts, their chances of future promotions would be very much affected. They, therefore, contended that the list of candidates called for interview was illegal and unconstitutional. The procedure followed by the Railway Board is not unusual since the Government of India have reserved certain number of seats for Scheduled Castes and Scheduled Tribes (jointly called Backward Classes) in all India services as a general principle of policy. There is nothing unconstitutional in the way the juniors of a certain department were called for interviews along with their seniors, for promotion since the latter fall under the category of Backward classes. The case is an example of inhibiting the entry of new incumbents.

The circulation of elite is one of the principal aspects of the development and recruitment of new cadres into the ranks of middle classes. So they form "the cream of the society, initiators, leaders and directors of its advance." Hence it is a rising class and not a decadent...

\[\text{The Times of India, (Bombay Edition), dated 11-3-1961.}\]

\[\text{The Petitioners, therefore, prayed for the issue of a writ to restrain the General Manager of the Central Railway and the financial Adviser from giving effect to the Board's directive.}\]

\[\text{Ibid.}\]

\[\text{Radhá Kāmal Mukherjee, op. Cit., p.5.}\]

\[\text{Cf. 'In view of the fact that many of the persons in the station of life have risen from the lower strata, they evident desire for going up further in the scale and one willing to make necessary exertions for it. They are a rising class and not necessarily a decadent, declining group as Marx supposed ....' Nasir Ahmad Khan, op.Cit.,p.6.}\]
class as Marx had predicted. Although this dynamism is not shared by all, its capacity to form group schisms by principle of rotation is abundant, and its general nature of 'circulation of elites' is undeniable. This aspect has been completely omitted by the Marxian approach. Yet there is a tendency to form closed groups for example when the members declassify because of calamities or other social downgrading, they are protected by the family and kin relationships. This sort of protection of declassified persons from social downfall is contrary to the circulation of elites, hence they are no more 'the recruiting ground of talent, the natural social ladder of all who have capacity for leadership in the widest sense of the word'. This aspect of the problem will be further discussed in the next section.

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43 Saljit Singh supplies evidence that how people are protected by family and kin group ties, when widowhood occurs. Saljit Singh, Urban Middle Class Clemency, op.cit., pp.134-135.

44 Roy Lewis and Angus Haude, op.cit., p.105. The authors maintain that English Middle Classes are frontierless. Further they argue that is always possible for people to rise into the middle classes and to rise out of them. Saljit Singh supplies evidence how kinship structures help the declassified individual. Vide Supra. Cf. then it appears how true it is that Parsons conclusion that the ideal of egalitarian society might be jeopardised by the kinship entanglement in the achievement dimension. See Talcott Parsons, Social Theory, op.cit., pp.159-161.
in detail. That is how, in business, kinship connections have helped to bring about monopolistic tendencies in the industrial sector.

From the point of view of social change the circulation of elite is of utmost importance since groups and individuals significantly change their positions, rank and social status in a given period of time. But everything will not be as smooth as defined or as is proclaimed. There are pitfalls and shortcomings. As had already been made plain, the principles of both rotation and circulation apply to the middle classes. They both seem to be contradictory but nonetheless they both cannot inhibit each other to the disadvantage of the other. The dynamism lies here. If a broad chunk of the social ladder is filled with elite who come from the lower ranks and attain the present middle class status they, on their part, try to raise their status still further. But on the other hand, when once the rise in the ladder stops, local groupings may also form in the period of phenomenal social change. This orientation into two sectors of the middle class is visible in India at the present juncture of planning and economic development, the impact of the socialist ideals. Already schisms of supporters of public and private sectors could be seen on the horizon of the middle class. If one section tries to fight and
preserve the gains of the group, another section equally interested in social change may fight for more drastic measures to bring about changes in the social system.

The elite part of the middle classes as represented by professors, lawyers, doctors, engineers and political leaders fight for the cause of social change in India. Equally opposing the changes, other sections such as old entrepreneurs, industrialists, and caste and regional elites, fight for the preservation of the status quo. For convenience these groups are termed as positive and negative vested interest groups. Those who are interested and ideologically motivated to bring about social change are called positive groups and those who oppose changes are called negative vested interest groups. Because of the problems of transitional anomie, the negative vested interest groups are well placed in the social system, and by virtue of their economic and social power, they could deflect the social change in their own favour. The next section deals with the business as a vested interest group which tries to take advantage of the transitional anomie for its benefit.

From the point of view of distribution of material resources and allocation facilities are their control in
and their control in changing society, it is based on the institutional structure of industry or business. Business organizes the production and distributonal aspects of the social system. Its place in the entire social relationships is strategic. The business system, theoretically, is organized in such a way that for honest risk-taking, enough has been paid to the holders of stock and for their waiting. But nonetheless it has great capacities for rigidifying, the dynamic and competitive aspects of the social relationships by domination and monopoly thus creating bottle-necks in the mobility path of the elite groups. By concentration of wealth and consequently the manipulative power, they hold sway over the rest of the property-less strata.

During the period of social change these bottle-necks are to be softened so that mobility is free and the concentration is less, without obviating the "individual initiative." So planning and division of sectors of economic activity are instituted. In fact, Article 39 of the Constitution of India declares that the State shall direct its policy towards securing inter alia

"that the ownership and control of the material resources of the community are so distributed as best to subserve the common good and the operation of the economic system does not result in the concentration of wealth and means of production."

Hence the Government of India have, by a series of
legislative measures, tried to bring the organization of business in consonance with the rest of the changes that are coming in other parts of the social structure.

The existing business institutions such as private industry in the hands of millions of farmers and agriculturists barring a few plantations is distributed widely and hence of no consequence from the point of view of distribution of resources and power. These small operating units are technically and financially weak. This anomaly of inefficiency is to be removed through cooperation. On the other hand there is the problem of monopoly capitalism which is firmly entrenched in a few hands. The Gokhale Institute summarises the situation as follows:

"The main point to be noticed about this field of economic activity is that though in relation to total occupied and total number of economic units and establishments the constituents of this field are small, they are by far the most dominant in political, economic and social terms in the country today. Secondly, in almost every single field of their operation a degree of concentration of economic resources and power are in evidence."

These elites have consolidated the power at the top by

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the mechanism of the Managing Agency which is particularly an Indian product. The GIPS article points out that "the total effect of the existing of monopoly capitalism in each separate sphere of modern economic activity in India is further heightened by the device of the managing agency. Not only elites of a particular category but also horizontal and vertical combinations of elites could be seen on communal and regional groupings. This severely restricts the free flow of elites. The GIPS article further points out:

"Together with the concentration in managing agency goes the concentration in terms of regional and communal or social groups. This is an extremely important sociological phenomenon which cannot be ignored in Indian conditions. It cannot be ignored because the total picture that emerges is that of concentration of control over and patronage resulting from, all modern finance, trade and industry in the hands of comparatively small number of persons concentrated in particular social groups. The diffusion of the benefits of the rise of modern industry and commerce is thus severely restricted within the community and the joint cooperation of socio-economic and political power makes certain groups so entrenched that social justice is denied and social place cannot be guaranteed with the continuance of this state of affairs."

Historically the system of the Managing Agency is an outcome of British-Indian interaction. The British

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46 Ibid. See also First Chapter for the formation of Managing Agency System.

47 Ibid., p.559. Italics in the original.
stock-holders who were away in England appointed the Managing Agents to look after their concerns in India for a consideration of a percentage of profit. Slowly the system acquired a large number of concerns under these categories. Another role which had developed as a peculiar British-Indian product is the 'jobber', who used to play the role of middleman between the English Manager and the Indian worker. He used to represent the interests of the workers to the management. Both these institutions in the course of time have become heritable.

Gradually the concentration of power in a few hands who were actually unaccountable either to the shareholders or to the society in general, made this institution an outmoded one. The concentration of power is obtained by two methods viz., 1) through owning several concerns by managing agency system and 2) by family ties. This aspect of the issue is aptly summarised by a weekly some years ago, as "YOU HELP MY SON, I HELP YOU". All the writers on the subject have testified.


49 It happened, that one Minister of a State, granted a loan of two million rupees to an industrialist on very easy terms, after their families have been united by marital ties of the younger folks. The euphemism which is so aptly termed, applies to the Business.
to the fact that family relationships play an important role in concentrating the economic and power potentialities.\footnote{50}

The key positions are filled in the industrial concerns by "status and not by recruitment\footnote{51}". If this is the position of the industrial organization, it bars the essential criterion of business, i.e. the aspect of mobility of best elements into the top positions\footnote{52}.

This type of 'rotation' leads to an uncanny influence of the family over business matters and the

\footnote{A managing agency firm consists as a rule of a group of relatives. Its continuity is ensured by succession to partnership of sons or sons-in-law of the original members, who often become partners during the life time of the latter." Thus the dominant position of the managing agent is secured by controlling the working capital and the shareholders. See C.W. Vakil, "Business Leadership in under-developed Countries," \textit{Industrialization and Productivity}, (New York: United Nations, March 1959), Bulletin No. 2, p.48. Also see Barrington Moore, Jr., \textit{Op.Cit.}, p.8; OIPE article, \textit{Op.Cit.}}

\footnote{C.W. Vakil, \textit{Op. Cit.}, p.48}

\footnote{Redlich observes, "...... professionally trained men are held back unless they happen to be 'ins' and this hinders quick economic growth." F. Redlich, \textit{Business Leadership: Diverse Origins and Variant Forms}, \textit{Economic Development and Cultural Change}, VI(3) April, 1958, p.186.}
essential element of 'initiative' is lost in the organization of business.\textsuperscript{53}

As a general rule, the family authority is extended and other extended kin groups such as castes based on regions are brought together to complete the circle of monopoly, in the business.\textsuperscript{54}

Certainly in the changing social conditions of the social system, this type of business activity is not conducive to the healthy growth of the economy.

\textsuperscript{53} The parental authority basis of the system makes it difficult for the younger men to develop qualities of leadership; the atmosphere of security breeds complacency and unwillingness to exercise initiative. A feeling tends to develop that any problem can be solved through assistance provided by the family. See C.N. Vakil, \textit{Op.Cit.,} p.50.

Cf. Nuranjan poses the question: "How many of these managing agents inherit their present position by family and caste relation and how many of them started on their own initiative?" See N.R. Nuranjan, "Public and Private Sectors," p.571.

\textsuperscript{54} Cf. \textit{ibid.,} op.cit., p.559; Bedich cites the formation of sub-castes or inter-marriageable groups who control the business by selecting the personnel to the higher positions. See P. Bedich, \textit{Op.Cit.,} p.185; Vakil mentions the dominant social groups in business as Marwaris of Rajasthan, Gujaratis of Gujarat, Chettiaris of Madras, Sindhis of Sindh and the Parsis, see C.N. Vakil, \textit{Op.Cit.,} p.48. This situation of inter-group and intra-group formation in business is depicted by Lamb as "the obvious vigor of Indian trading communities." She believes that Jains have produced most of India's good businessmen. Actually the vigour is due to the formation of highly-centralized decision-making authority through monopoly which is a short-run effect when the business is stable, and the lack of Government Control. See Helen B. Lamb, "The Indian Merchant," (Paper prepared
ence the Government of India have acted wisely to put this anomaly into order. The system had outlived its use. When there were no trained managers to take over the functions of the system, the managing agency system flourished through the centralized handling by the family web and the system sustained itself through thick and thin. Although the Government knew the appointment of the managing agents the remunerational aspect was shrouded in mystery and it led to much abuse.

So the Government have decided that even the resignation of the managing agent cannot absolve him of the responsibility of his acts during his tenure. Likewise transfer...
of power by attorney is also prohibited. To control the aspect of internal rotation by questionable means, relatives of certain categories are debarred from opening or acquiring interests in certain combinations of business firms.

In the changing conditions of society where there is large scale development of industry and commerce, the leadership of the business requires a dynamic approach. The centralized family method and the appointing of people from the near kith and kin affects the industry in a highly growing and competitive era. The case of underdeveloped countries bears a contrast with that of the advanced industrial countries. Unless the business leadership changes, the industrialization of a country cannot grow up on modern lines. The significant fact is that kinship is functional and its manifestation is one form or another cannot be ignored. It is the increasing complexity of the managerial functions required today.

58 Ibid., p. 133.

59 "Two persons shall be deemed to be 'relatives' if and only if:— a) They are members of a Hindu joint undivided family; or b) they are husband and wife; or c) the one or the spouse of the one is related to the other or the spouse of the other as parent and child, grand-parent and grand child, or brother and sister; or d) the one is related to the other directly (and not by marriage only) as uncle or aunt, nephew or niece." Ibid., p. 23.
and the spur of competition, perhaps more than the measures of restrictions applied by the Government, that doom the system of joint family management, at least as regards large establishments."

The business leadership should discharge its duties in the context of a socio-political atmosphere permeated with a high degree of social consciousness." This consciousness was attained in the west by the religious inspiration as shown by Max Weber in his "Protestant Ethic and the Development of Capitalism." In the underdeveloped countries new forms of business leadership may develop by "universalization of business ethics." Talking to the Indian Chamber of Commerce, Prime Minister Nehru exhorted businessmen to reorient their outlook to the changing conditions and justified state intervention in economic affairs. He posed a pointer that if the business leadership intends the Government to sit on the fence so that market forces will set everything in order in the long run. He said "it is a long question. Basically we see that it becomes less

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(c) M. Vachir, op. cit., p. 50)

did., p. 47.

c2. Bedi, op. cit., p. 171.
on account of State intervention. By state intervention the costly process of self-development that took place in 18th and 19th centuries in the west could be short-cut. The Prime Minister continued that only by the intervention of the State could the underdog be helped.

The possibility of not attending to the needs of the private sector which is really the problem of the industry in general, is a threat to the industry due to the hasty actions of the Government. The main problem should be one of how best resources could be utilized to help the common people.

After independence it is said that businessmen are sending their ways and there is improvement in their social outlook to serve the nation. But repeatedly from different quarters accusations have been poured forth about malpractices in the Private Sector. Equally at fault is the bureaucracy which delays in giving necessary orders, and permits. The State Controls are a foregone conclusion so that "Free Enterprise" should keep a watchful eye to resist the unreasonable encroachments of the State.

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63 The Times of India, (Bombay Edition) dated 4-2-1958.
65 Bhikhalal Kapasi, "Mass Uplift and Free Enterprise:"
A great tussle developed between the Government as a harbinger of Socialistic pattern of Society, and the private sector. Firstly there was a resentment against the State intervention in the economic affairs. Then when it was known that the State intends to do what it had proclaimed, the equilibrium had changed and quasi-equilibrium was established by accepting the State's authority over the manipulation of the economic affairs. But the reaction turned into several directions. Having accepted the State intervention, the question what should be directed has come to the fore. Whether it should be in the legislation, capital formation, or giving industrial peace, or over resources or over distribution or over the wage policy or over the formation of joint-stock companies or over the appointment of managing agents in the industry. In this jigsaw puzzle firstly

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Hedg for New Approach," Journal of Indian Merchants' Chamber, 11(3), March 1957, p.72. He further adds "... but its voice could only be heard in proper quarters provided it caters to the new business philosophy where profits are neither shocking nor illegitimate and where businessmen align with the changing emphasis viz., the increase in productivity which raises the purchasing power of the workers and permitting manufactured products to reach which raises the purchasing power of the workers and permitting manufactured products to reach more and more layers of the population." Further "the profit motive which is very natural should not be allowed to run riot, but should be tempered with proper appreciation of the difficulties of the other side and hence in the coming years the commercial community will have to play a new role in bringing about the economic development of the country." Ibid.
the solidarity of business group is maintained by announcing a code of conduct by the Forum of Free enterprise.

When once this solidarity is achieved by formalizing the code of conduct, the real fight began to define the interaction situation. It is the problem of defining the interaction situation. Government are, on one hand, bringing about a state of legislation from the point of view of socialistic pattern of society. And free enterprise on the other hand, is striving to retain its position if not pre-eminent, by its own philosophy of social justice. To illustrate, the philosophy of free enterprise is as follows:

"The economic system of a country is, to a large extent, woven into the fabric of its political set-up. If the individual is to be

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"The Free enterprise has been tested by time and "should maintain its reputation by insisting on high standards of integrity which dictate by social purposes." All industrial activity owes its purpose to the benefit of the consumer. Employers must know the key role of the labour. So the employee management roles should be played from the above context. They /employers/ should accept the role of labour as one of the creative cooperation and recognize the need for providing increasing opportunities for consultations of employees and their progressive association with management to help in the promotion of increased productivity from which all will benefit." Malpractices in the management of the companies should be avoided. All professional men should make their consumers' satisfaction as one of their aims. And in the end everybody owes his/her allegiance to the community in which he/she lives. "Wealth or power shall not be a justification for vain glory or ostentatious display but an opportunity for rendering service to the community." Advertisement in "The Times of India," Bombay Edition), dated 16-1-1957."
regarded as of supreme importance, fundamentally responsible for his welfare and entitled to the benefits of his personal effort, then the country must necessarily adhere to the position of economic activities being conducted on a private profit or loss basis, making the individual responsible for the results of his own actions and entitled to benefits he earns through his personal efforts. He hopes of reward and the fear of loss, which are the natural concomitants of a system based on the philosophy of private enterprise, are the energising factors which make the individual to spare no effort to improve and develop the activities in which he engaged himself. The assurance that he would be enjoying the fruits of his efforts would naturally induce him to choose the type of activity for which he is fit and make a supreme effort to make that activity a success. The need for incentives is deeply embedded in human nature and the same is recognised even in those economies which discount profit-motive as the main spring of economic activity. The competitive system assures choice of activities suitable to ability and the necessary incentives. Competition is recognised as the most effective regulator of enterprise and guarantor of efficient public services.

This country [India] has reaffirmed its faith in the democratic ways of life and its economic regeneration is being attempted through a process of democratic planning. In that task of planned development, there is need for a true appreciation of the role of the private sector. In assessing that role, due emphasis should be given to the place and position of the individual under a democratic setup.

It is necessary to recognise that the greatest need of the moment is to mobilise public energy and enthusiasm for a wide and intensive diversification of industrial activity and economic activity which alone can solve the problem of unemployment which is assuming obvious proportions and giving cause for concern. It would not be possible to increase employment opportunities by concentrating on development in the public sector alone.

The democratic principle, the individual initiative, the position of business in the social structure, and the fundamental right of individual to know his behaviour in business—are all emphasised. In a word the simple hedonistic principle is stressed. This type of definition of the 'situation' is, no doubt, questioned. The Government's definition of the 'situation' as suggested in Article 39 of the Constitution of India (vide supra) is a contradictory one when compared to the above. From this fundamental position of traditional anomie, the different issues of the economy are either upheld or criticised.

The taxation policy of the Government had almost crippled the private industry of its vigour. The intricate machinery of the Government had brought a cumbersome routine of forms to be filled in and thus brought an inhibition on the private sector. The labour policy of the Government is likewise attacked. "It is a matter of deep regret that when labour legislation for ameliorating the conditions of workers is being undertaken, coercive methods are being adopted by labour agitators to the detriment of industrial production, national welfare or even their own interest."

68 Ibid., pp. 16 and 17.
69 Ibid., p. 75.
and even in the matter of wage rise or fixation they were "unrelated to basic determinants like the capacity of the industry, its need for further growth and expansion and the larger interests of the national economy." 

In the midst of this controversy of accusations and mutual recriminations between private and public sectors, some of the business concerns have indulged in financing the political parties to attain their aims or to fight their cases. They not only give funds through underhand dealings, but some of the companies have also sought to change their memoranda of association, so that they can freely and more vigorously support a political party or parties to achieve their ends. It almost amounts to bringing the Government so that the policies would suit their vested interests. This flow of the company's funds to the coffers of political parties is as in the case of America where there is such a 'lobbying' practice. When a particular concern sought the permission of the Court to change the Memorandum of association so that it can actively contribute to the funds of a certain political party, He

73ibid., p. 26. Cf. "Uncalculable harm is done to a concern when the Government hurriedly goes on authorising increase in wages and bonuses to workers. This may eventually lead to the partial or complete closing down of many industrial concerns and the consequential increase of unemployment." See K. Batlivala, "Controlled private enterprise has wide scope," The Times of India, (Bombay Edition), dated 17-3-1957.
Lordship Ar. Justice Sukhanji observed that:

"... an effort became visible on the part of the industrial concerns to divert commercial funds to political purposes it was essential, in the interests of both commercial and public standards, to have legislative enactments prohibiting such diversion to keep the springs of democracy and administration reasonably pure and unsullied and before it was too late to control the dangers and mischief inherent in the situation."\(^{71}\)

The Company felt that its safety, security and future expansion depends upon its contribution to the Congress Government at the helm of affairs and so they should promote it with their might\(^{72}\).

The intriguing situation is of the inability of law to prevent such a development. Of course this is another case of transitional anomie. Their Lordships dilemma was characteristic of the period of transition. They observed that "there was nothing to prevent the Company from reconstrcuting and having a new memorandum empowering itself to have the power to make contributions to political parties as had been done in the case of newly formed companies\(^{73}\). Perhaps these

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\(^{71}\) Company Contributions to Party Funds," Modern Review, 61(1) whole No.607, July 1957, p.3.

\(^{72}\) Ibid.

\(^{73}\) Ibid., pp.3-4.
observations were made before the advent of another political party whose interest lies in keeping a sort of 'status quo' in the industrial field as well as in social relationships. In the next section, the origin of the Swatantra party is discussed.

As had already been described in the second chapter—planning excludes choices of action and hence groups getting on on a particular level of interaction will be hit. Such groups when they are threatened with the new definition of interaction situation and change of symbolic meaning, form a core of opposition to the newly imposed or emerging pattern. The opposition may take any form, viz., that of deviant pattern or transitional anomies or adjustment or active hostility. When the action takes the form of active hostility a group which is opposed to the emerging pattern may form with an ideology of its own to combat and to restitute the previous equilibrium. The emergence of the Swatantra Party is a case in point.

Such a formation of a party may arise with a strong central ideology and quite often with a charismatic personality, 74 behind the movement to project

its legitimacy for its existence. Particularly if the new changes are followed on a charismatic principle the need for a charismatic leadership for such a party is more acute. This is more than offset by borrowing the symbol of Gandhiji and actively manipulating its ideals and projecting them as Gandhiji's own. And also its policies are based on sanctifying and glorifying the tradition.

The presence of a simple alienative tendency is not a sufficient criterion for the emergence of a strong vested interest group. The alienation should be exploited as a clear-cut alternative to the ruling or changing norms. This legitimacy could only be obtained by providing an ideology with a strong conservative bias. Whatever is different from this ideology should be shown as constituting deviance and hence the legitimacy for active hostility. In a nutshell the changing patterns are shown as threats to social security and to the present gratification level. The dissatisfactions that come in the wake of planning have been given a channel to be expressed by creating a party, and dissatisfactions are coherently brought together to give a unified view of the opposition.  

75 The Swatantra Party arose as an alternative party to the ruling party, Congress Party, which is 'pulverizing the middle class,' heavily taxing the investors and
The thesis has been largely substantiated by the analysis of the birth of the Swatantra party. The dissatisfactions created in the wake of the planning and its various apparatus have been utilized to bring into existence a party which is conservative in its approach to the problems of the day. The family economy of the present-day agriculture is glorified and in industry the value of individual initiative is stressed. The state interference through the Planning Commission is abhorred and lastly the sanctity of the tradition is glorified. The dissatisfactions of rural and industrial life are put together to bring a unified direction to the party.

Uptill now the dissatisfactions created by planning are shown as the cause of the origin of the Swatantra party. These dissatisfactions are really

imposing restrictions on "people's enterprise."
see J. Nagani, SWATANTRA PARTY: PREPARE FOR CONVENTION:
MUMBAI, August 1959, (Bombay: Avid House, Popular Book-Department, 1959), pp. 7-8. Hereafter referred to as Swatantra Convention. The unwise industrialist and peasant are goaded into action against the methods of planning and state enterprises, Ibid. Making changes in the inheritance laws spoil the special character of women in Hindu society paving the way for double-fragmentation of property. G. Jagopalakanti in Swatantra Convention, p. 7. The sanctity of tradition should stand above all else and all lovers of 'Indian traditional economy' should fight these measures. R. C. Rangar in Swatantra Convention, p. 19. The rule of 'dharma' should not be disturbed because it is time-honoured and laws are laid for kings as well as other people, Ibid., p. 22.
threats to the present existing social order. Whatever is proposed to be changed either through co-operative farming, or land-ceiling, or the preponderance of public sector over private sector, the party tried to show as threats to the present gratificational pattern. Hence legitimacy is invoked to put a break to the changes. Equally important are other factors which may bring into existence other parties. The shortcomings of the policies of the ruling party may bring in other alienative tendencies to the surface and a more radical party may come into existence. Whatever has been declared by the ruling party, as objectives of state policy, is likely to fall short of the expectations raised in the people's minds. When these expectations are not fulfilled, frustrations set in. A party which is based on a more radical programme may come into existence to fulfill the shortcomings of the declared objectives of the emerging system. Such a party may be led by the militant middle class leadership otherwise termed as positive vested interests in bringing the changes. If the Swatantra Party shows conservative bias another party may emerge which is more radical in its approach to the problems. This explains the intriguing situation of Right, Centre of Left and leftist parties.
Social change is related to the phenomenon of vested interests, in fact, the social change is effected only if vested interests are overcome successfully. Vested interests are those groups who are interested in the 'stable state line of interaction.' The changes in the allocation of facilities, rewards and role-expectations are staunchly opposed by vested interests. The entire arrangement of social relationships as represented in the stratification system of the society is related to the vested interest phenomenon. However, during social change some groups significantly change their social status, prestige and occupation. These are called elites. In turn, they may be classified as traditional elites (who are ascriptive) and secular elites (who are achievement oriented). Often there ensue conflicts between elites while gaining control of the institutions. During institutional changes the vested interests gain control of the new institutions and thus gain the fruits of the new changes. At the level of the class where both ascription and achievement play a dominant part, the elites form into groups either to oppose social change or to support social change. This cleavage is a boon and doom for the elites. The staunchest opposition comes when the facilities are redistributed to affect economic development viz., in the rural side from landlords and in urban places from business
groups. Business groups are by far the most organized
groups to oppose changes and when the changes come in
spite of themselves, they enjoy the fruits of it since
they are the advanced elements in the social structure
by virtue of elite composition. The dissatisfactions
of the period of planning are organized into a political
party to oppose social change with an ideological back-
ground. Thus shape and content are given for the
opposition of vested interests to the new social change.