1. Low Levels of Living

It is evident from what has been discussed in the previous chapters that not only the labour, but the masses in general in this country have been in a bad way. The economic and political structure that the country has had for over a century had no place for planned development in any sector whatsoever. As a result of the disintegration of the old and well laid structure of Indian economy, and in the absence of any economic planning, the economy has, as a whole, deteriorated. The national resources of the country tended to be localised in the hands of a few to the detriment of the common man.

The level of living of the workers is extremely low. Monthly expenditure on consumer goods per person and per consumption unit is Rs. 10.4 and Rs. 12.0 respectively (weighted average for all the industries investigated). The average calorie intake per consumption unit is 2,010 calories which falls short of the daily normal requirement by 33 per cent, although 85.0 per cent of the total expenditure is spent on food items. Housing accommodation is found to be extremely short in urban areas, rendering 23.6 per cent of the total workers absolutely houseless and accommodating 6.2 per cent migrants at wood and fuel depots, shops in mandis etc. for which
they had to render free services. These figures roughly approximate to the estimates of the Planning Commission.

The Planning Commission observe as follows on levels of living:

"The level of living is extremely low. Expenditure on consumer goods per person is about Rs.22/- per month of which about Rs.13/- is spent in cash and about Rs.9/- is the value of consumption of home-grown food and home-made articles. Housing is primitive in villages and extremely short in urban areas. The supply of nutritive foods is meagre although nearly two-thirds of the total expenditure is spent on food items....

"The above estimates are for all classes taken together. The position of the poorer section is much worse. Half the population of India or 185 millions of persons spend less than Rs.13 per month on consumer goods and possibly half of this amount is consumed in kind or in the form of home-grown food and home-made articles...."

2. Need of Economic Planning

The most urgent problem of India to-day is to improve the economic well-being of the poverty-stricken masses of this country. But as our investigation relates mainly to one part of the masses that is employed as unskilled workers in various industries; we shall confine ourselves to them in particular, although reference to masses in general is unavoidable in the context.

The working population in India, and U.P. in particular, is not hankering after high living standards; it is only striving for

---

meeting its bare physical needs in respect of food, clothing and housing accommodation. It is evident from what has been discussed in this connection (refer chapter, VI and VII) that even the bare physiological requirements are not effectively met with, what a low standard of living the workers have, is thus apparent.

For attaining reasonable living standards, steady monthly incomes are needed, earned by employment. Obviously, therefore, an economic system which aims at providing fuller employment appears to be an essential need of the society. Greater productivity of goods and services leading to higher living standards is also necessary, but fuller employment in a way leads to larger production. Thus employment is the main crux of the problem. Infact, "well-being for all" has to be realised and this should be the basis on which we should plan and build the economic order for promoting workers' physical, intellectual and moral development along with economic development.

3. Unemployment Problem

Before formulating the basic aims for economic planning, it is essential to examine the character and nature of rural and urban unemployment and underemployment prevalent in our country.

(i) Rural Unemployment

According to the Government of India's Agricultural Labour Inquiry Committee in the Indian Union, on an average, during each month of the year, at least about 16 percent of agricultural labourers did not report wage employment, or in other words, were chronically unemployed. Even among the rest who reported wage employment, male workers were unemployed for 82 days in the year. No statistics are available in respect of female workers. This is a very
important gap, as it is only if both men and women work that the rural agricultural labour family can earn enough for meeting even the bare necessities of life. Whether statistical data is available or not, it is common knowledge that there is a serious type of under-employment prevailing in the countryside in general.

The total working force was estimated to be 143 million in 1950-51. At present it is reckoned to be 152 million and the estimate for 1960-61 is 163 million, while estimates of existing unemployment (as distinguished from under-employment) vary. One recent estimate of the Planning Commission puts it at about 3 million unemployed persons. Of these, about one million or more may be in urban areas and the rest in rural areas.

We must also bear in mind that even with a considerable back-log of unemployment and under-employment to be made up every year 1.8 million persons would be entering the labour market in search of employment. The number of new entrants into the working force during the next Plan period is estimated at about 5 million in urban areas and about 6 million in rural areas.

(ii) Urban Unemployment

As to urban unemployment, even though no India-wide estimate of unemployment has been made, it is quite obvious from the Employment Exchange statistics, and from unemployment Surveys carried out under the auspices of the Planning Commission. Our own investigation confirms that in spite of the intense economic and commercial activity that was prevalent during the war and post-war years, particularly the years after Independence and ever since the launching of the First Five Year Plan, the urban unemployment also has been on the increase.
The figures of the Employment Exchanges, showing the number of unemployed persons has been standing at a peak level for quite some time. At the end of July, 1955, the figure stood at the record level of 6,66,145. In view of the fact that the number of exchanges is much too limited and that the registration at the Employment Exchanges is purely voluntary, these statistics do not reflect the full position. The figures are, however, still impressive. Obviously, if fuller informations were available it would only reveal that the overall situation is even worse. Other recent surveys of urban unemployment go to confirm this conclusion. A sample survey by the Calcutta Corporation, for example, showed that 20 per cent of the total families living in the Corporation area were unemployed. If accounts are to be taken of the prevalent under-employment, then the immensity of the problem becomes larger still.

An analysis of the living standards would at once reveal that generally low living standards are associated with depressed economy which means wide-spread unemployment and under-employment accompanied with low productivity of consumer goods. Better living standards are accompanied with fuller employment marked with advanced economy and with plentiful production of consumer goods. Once a steady income is assured to the masses through perennial gainful employment, their living standards automatically rise as does their propensity to consume. These tendencies and observations lead us to a clue to the fixation of basic aims for economic planning.
4. Basic Aims for Economic Planning

On the basis of what has been discussed in the foregoing pages, we would put forth the following basic aims for economic planning in the country and the State.

The ultimate objective of planning should be to create a socialised society or the so-called socialistic pattern of society wherein every able bodied person is gainfully employed, each individual has access to the reasonable necessities and comforts of life. Accordingly:

1. Adequate measures should be adopted to solve the problem of the present unemployment and its recurrence;

2. Having regard to the regular increase in population and in the working forces, additional employment opportunities should be brought into existence;

With these basic and guiding principles, the unemployment under-employment and the attendant poverty could largely be liquidated and an appreciable increase in national income effected.

The Second Five Year Plan is already before us and we may examine how far it is in consonance with these principles and how it seeks to achieve the objective. The main objectives of the Second Five Year Plan, as enunciated in the draft in general terms, are as follows: 1

"(a) A sizable increase in national income so as to raise the level of living in the country;

"(b) Rapid industrialisation, with particular emphasis on the development of basic industries;

"(c) Fuller employment; and

"(d) Social justice."

The pattern of employment and occupational pattern leading to a substantial increase in national income, through which the Second Five Year Plan visualizes to achieve its objectives are discussed below:

(i) The Pattern of Employment

In 1951, in the country, 142 million persons constituted the working labour force; men numbered 100 million and women 42 million. About 120 million were working in rural areas and about 22 million in urban areas. Of these, 104 million were self-supporting persons and nearly 30 million were employees or hired workers. Of these, 3 million were unemployed in urban areas and 38 million unemployed for 5 to 6 months a year in the rural areas. During the course of the First Plan period, there was an addition to this working force by about 9 million due to increase in population. While on the other hand, it is roughly estimated that under the First Plan, only 5 million new jobs and employment opportunities were provided. The back-log of unemployment today is, therefore, greater than in 1951.

In the Second Plan it is hoped that fresh employment in heavy industry will be on the basis of one employee for an investment of Rs. 6,000 and in light industry in the proportion of one for Rs. 1000. The additional employment counted to come up in the Second Plan is thus as follows:

Thus there is likely to be an increase of only 9 million jobs and the expectations would fall short of the declared target of 12 million jobs by at least 25% on the basis of these calculations. Actual achievement may perhaps be even less.

(ii) Occupational Pattern

Occupational distribution and the manner in which the working population is, at any time, divided among the three principal occupations - primary, secondary and tertiary - are of important consideration, both for assessment and for directing further development. The occupational pattern, envisaged for 1955-56 and 1960-61, for the whole of the country under the plan is as follows:
Estimated Occupational Pattern envisaged under the Plan

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Agriculture and Allied pursuits</td>
<td>103.6</td>
<td>109.5</td>
<td>111.0</td>
<td>436</td>
<td>452</td>
<td>571</td>
</tr>
<tr>
<td>2. Mining and Factory Establishments</td>
<td>3.8</td>
<td>4.0</td>
<td>5.7</td>
<td>1,737</td>
<td>2,025</td>
<td>2,632</td>
</tr>
<tr>
<td>3. Small enterprises</td>
<td>11.5</td>
<td>12.0</td>
<td>15.0</td>
<td>809</td>
<td>850</td>
<td>953</td>
</tr>
<tr>
<td>4. Communications, Railways, Banks and Insurance</td>
<td>1.5</td>
<td>1.6</td>
<td>2.0</td>
<td>2,067</td>
<td>2,250</td>
<td>2,350</td>
</tr>
<tr>
<td>5. Other Commerce and Transport</td>
<td>9.5</td>
<td>10.0</td>
<td>12.0</td>
<td>1,410</td>
<td>1,510</td>
<td>1,567</td>
</tr>
<tr>
<td>6. Government Administration, Professional, Liberal Arts and the rest</td>
<td>13.3</td>
<td>14.9</td>
<td>17.3</td>
<td>1,075</td>
<td>1,161</td>
<td>1,202</td>
</tr>
<tr>
<td>TOTAL</td>
<td>143.2</td>
<td>152.0</td>
<td>163.0</td>
<td>642</td>
<td>710</td>
<td>840</td>
</tr>
</tbody>
</table>

It is clear from the above figures that a very high proportion of the working force is still engaged and tends to be so in the primary occupations i.e. agriculture and allied pursuits. The abnormally low proportion engaged in the secondary occupations i.e. industries, is an index primarily of the low industrial output. The percentage of the working population engaged in tertiary occupations is also very low. The following table gives the different percentages:

Table No. CXVIII

Percentage of Working Force engaged in Primary, Secondary & Tertiary Occupations

<table>
<thead>
<tr>
<th>Occupation</th>
<th>1950-51</th>
<th>1955-56</th>
<th>1960-61</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Primary (No. of Table CXVII)</td>
<td>72.3</td>
<td>72.1</td>
<td>68.1</td>
</tr>
<tr>
<td>2. Secondary (Order 2&amp;3 of Table No. CXVII)</td>
<td>10.6</td>
<td>10.5</td>
<td>12.7</td>
</tr>
<tr>
<td>3. Tertiary (Order 5&amp;6 or Table No. CXVII)</td>
<td>16.9</td>
<td>17.4</td>
<td>19.2</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Obviously the Plan is hitting in the right direction. During the five years period the employment in Secondary and Tertiary Sectors will increase, while the existing pressure of employment on land will decrease. The improvement in the Secondary and the Tertiary sectors will, however, be far below the standard reached in other advanced countries or the optimum level that our country needs. In the U.K. (1936) and the U.S.A. (1937) 42.0% and 26.8% respectively of the total working force are engaged in industries. Much larger proportions of workers are engaged in tertiary occupations like trade, transport and other services. The proportion is as high as 54% in the United Kingdom. In the U.S.A. the proportion was 46% in 1931, and rose to 53% in 1941. In advanced parts of the U.S.A. - e.g. California - "the proportion is above 60%.

(iii) Per Capita Income

The Second Five Year Plan has also tried to examine the efficiency of proposed measures through the increase in National Income. It has been observed:

"Of the total increase in national income (Rs.2900 crores) the largest part would still be in agriculture and allied pursuits (Rs.1,060 crores). Factory establishments would show an increase in net output of some Rs.550 crores, mines Rs.50 crores and small enterprises of Rs.410 crores. The rest of the additional output of about Rs.830 crores would be generated in the tertiary sector. However, in relative terms, the increase in income generated would be greater in factory establishments (65 per cent), mining (50 per cent), and small enterprises (40 per cent) than in agriculture (20 per cent) or in the tertiary sector (23 per cent). On balance, the relative share of mines, factories and small enterprises in the national income would increase from 17.7 per cent in 1955-56 to 21.4 per cent in 1960-61 and that of agriculture would decline
correspondingly from 48.9 percent to 46.3 per cent. Thus, despite the relatively high targets for industries, the structure of the economy would show only a small change over the Second Plan period.

Calculation of the national income, however, does not present to us a realistic picture of economic conditions of the labour force. It includes the fabulous incomes of millionaires and multi-millionaires on the one hand and the incredibly low earnings of the 'teeming millions' on the other. It is calculated that, in India, "one percent commands 35%, 32 percent get 33% and the 67 percent receive only 32% of the total National Dividend." The disparity between the incomes of the rich and the poor is, indeed, very great. Thus, an increase in the per capita income according to the present system of distribution, may take place on account of a substantial increment in the incomes of the moneyed class only, without even touching the lives of the majority of the population. The increase in the per capita National Income may thus be an indication of the average improvement in the exploitation of the country's resources but it could be no sure indication or true measure of the improvement in the levels of living of a particular sector, say the unskilled labour.

Hence to achieve the objective envisaged in respect of the labour force under our investigation, we would suggest specific measures and propose specific tests only to gauge the achievement.

5. The Measures

The measures which are discussed in the following pages, are two fold - (a) Direct measures and (b) Indirect measures.

Direct measures include measures necessitating action directly in the industrial sector itself, by the Government, the industry and the labour. Indirect measures include action in other spheres having an indirect, though definite, hearing on the problem. These
measures relate to (1) Control of population through family planning etc. and (ii) Control of the migration of labour force at the source by improving employment opportunities in the countryside through rural and cottage industries and by rationalisation of employment opportunities in Agriculture, the main spring board of all our industrial labour.

(1) Fuller Employment

A substantial increase in employment opportunities may be regarded as the basic and primary means of raising the living standards of the labour already employed or likely to be employed. But it is not enough to see that labour is fully employed; it is also necessary that the employment provided should be such as to lead to an adequate production of goods and services, so that the worker may have adequate real income, i.e. enough of goods and services to make up a reasonable living standard.

Majority of the working force consists mainly of agricultural landless labour, petty farmers, and craftsmen and artisans. Unemployment in their case before they migrate, arises in the form of lack of gainful work for the whole or a part of the year. "What is shocking is not that they do not have work for a part of the year, but that their back-breaking labour for such time as they do work, earns them only a miserable pittance." A basic characteristic of the employment situation in our country is that although most of the working population is engaged in productive pursuits, the total amount of work done, measured in terms of production, is far below what the population is potentially capable of doing. An I.L.O. publication has described the position of underdeveloped countries like ours in contrast to that in the advanced industrial countries, in these terms; the problem is one of underemployment rather than of mass unemployment, it is primarily agricultural rather than industrial; the phenomenon is

---

chronic rather than cyclical; and moreover, the incidence of 
unemployment spreads widely over the bulk of the population instead 
of being concentrated among a relatively limited number of workers."¹

To liquidate such under-employment and unemployment truly 
prevalent in our country, we shall have to change our country's 
economic structure, to revolutionise the techniques of production 
and, above all, to achieve a rapid increase in prosperity to counter­
act the depressing effects of a rapidly growing population. The 
problem is, therefore, much more difficult of treatment. The gravity 
of the social consequences which unemployment and under-employment 
entail are also not insignificant. They spell mass poverty and 
misery. There is a danger that if they are left unchecked the 
economic situation may deteriorate further with the increasing 
population.

The measures required to prevent unemployment and underemploy­
ment with a view to raising the living standards are considered 
below;-

1. **Agriculture** - The phenomenon of under-employment in 
agriculture in our country mainly consists of two major elements. 
The first and the most obvious is the longperiod of seasonal 
unemployment. The second element is the redundance of labour on 
land.

The problem of employment in the agricultural sector is not 
limited to the elimination of seasonal unemployment only. The 
objective of economic planning for labour should not be confined 
to full employment, but it should aim at achieving for full employment 
in such a way as to maximise national income and output of consumer

and other goods. It should aim at creating enough jobs to enable everyone of working age to be occupied throughout the year and enabling each to obtain a job of such a character as to enable him to earn the highest possible income. This can be done by providing productive work for the farm population during period of seasonal unemployment and removing redundant agricultural labour to other industries.

**Action Against Seasonal Unemployment**

Measures that can be adopted for the elimination of seasonal unemployment in agriculture may be classified as follows:

(i) Mixed Farming and Intensive Farming.

(ii) Development of Rural and Cottage Industries.

(iii) Seasonal migration through Exchanges for employment in Public Works or other establishments set up to suit the migration period.

(i) Mixed Farming and Intensive Farming

Seasonal unemployment in the villages can be partly reduced by the adoption of mixed farming. In the villages where farming activity has so far been limited to one or two crops whose production period is relatively short, the introduction of supplementary crops can do much to raise the level of employment and income of the farming population. For this purpose a part of the land may be devoted to the raising of vegetables and local fruits. The major difficulty in extending this sort of mixed farming, however, lies in the fact that most of these crops are highly perishable. Lack of transport facilities may unnecessarily reduce margin of profit. To encourage the extension of the scope of mixed farming it may therefore be desirable to introduce simultaneously small-scale canning industries in the villages, the development of which would also
provide more seasonal employment in these industries.

Mixed farming can be extended by the promotion of livestock and poultry farming. The development of this type of mixed farming will increase the level of employment and income of agricultural labour in slack intervals. To enable the rural population to increase livestock production, Government assistance of several types is likely to prove necessary. It may be necessary to provide special credit facilities to the rural population for this kind of productive undertaking. In our country methods of livestock and poultry raising in practice are still inefficient and producers frequently have to suffer heavy capital losses owing to animal epidemics.

For this reason, popularisation of scientific husbandry methods and the provision of technical services, such as the establishment of rural veterinary stations, are of particular importance.

(ii) Development of Rural Cottage Industries

Rural industries based on agriculture can provide the rural population with an important supplementary source of income during the slack season. In India, such industries/ Cotton weaving, paper making, bee keeping, poultry farming, cotton ginning, peddy husking, oil crushing by gminis, gur making, woodworking/ industries etc.

So long as these industries are profitable, the problem of seasonal unemployment hardly need arise.

The importance of modernising the declining rural industries can hardly be over-emphasised with a view to attacking the growing problem of seasonal unemployment. This can be done mainly by enabling them to compete more effectively with the products of large-scale factories. Positive action in this direction has been initiated by the Planning Commission (Karve Committee) in modernising of the declining rural and cottage industries as it involves the introduction of more efficient equipment, better techniques and
organisation, more effective marking and better financial facilities—all of these are tasks which can scarcely be effectively undertaken by the villagers themselves and need State initiative.

(iii) Seasonal Migration

The development of rural industries is only one of the methods that can be adopted to eliminate seasonal unemployment in agriculture. Another method which also requires Government initiative and action is the devetailing of public works with seasonal variations in the excess supply of agricultural labour.

In planning for such projects of construction works, preference may be given to those which raise specially the productivity of agriculture. Furthermore, the construction work needed for the erection of small-scale plants and factories in rural areas may be done least of partly by local agricultural labour during slack season.

In the rural areas where supplementary employment is not available, it has become customary for agricultural workers and petty farmers to migrate to industrial centres for temporary employment during slack seasons. This type of seasonal migration is in practice in China ... where the regular seasonal migration of rural population takes place from "Shantung Province to Manchuria."

To render seasonal migration of the rural population lucrative, Government action is needed in this direction. By improving the local recruitment practice and establishing the public recruitment agencies in rural areas the situation can be greatly improved and seasonal employment for local agricultural workers can be made more lucrative.
(iv) Action Against Chronic Under-employment

Chronic under-employment is a more difficult problem to tackle than seasonal unemployment in agriculture. Chronic under-employment can be eradicated by redistribution of land and industrialisation.

Before drawing up any programme of industrialisation, it is essential to ascertain as accurately as possible the amount of agricultural labour that may be released from agriculture and the remainder of the working population that may be fully employed on land. In this way the quantity of surplus agricultural labour in the country as a whole can be estimated. Industrialisation, as we conceive it, should thus aim at increasing employment opportunities on the land already under cultivation by applying to the land increasing amounts of capital and of shifting part of the surplus agricultural labour and petty farmers to industries.

Land Reclamation and Redistribution

With a view to formulating a comprehensive land policy for the period of the Second Five Year Plan, a Panel on Land Reform was set up by the Planning Commission in 1955. The work of the Panel is being done through four committees dealing respectively with tenancy reform, size of holdings, reorganisation of agriculture and Bhoodan. Thus, at present there is no clear cut picture of land redistribution in the country.

From the standpoint of the provision of employment and income for the under-employed population, land reclamation may be considered as an effective measure. To carry out programmes of land settlement, it is essential to devise effective schemes to facilitate the transfer of excess population from overcrowded lands to the reclaimed lands that are made ready for settlement.
6. Industrialisation

Need of rapid development of small-scale industries as has been visualised by the Planning Commission to absorb surplus population can hardly be overemphasised. Under the present economic structure of the country, it appears to be beyond the capacity of the country to provide full employment to the annual increase of about two million new entrants to the labour market and the already unemployed and underemployed through large-scale mechanised industries alone. For on the one hand their establishment takes time and requires huge capital and on the other hand, the absorption of labour is not at all commensurate with the production or the capital engaged. An equal target of production with much less capital can provide gainful employment to many a time more labour in small-scale industries than in mechanised large scale industries.

(i) Small Scale Industries

Small-scale industries are distinguished from large-scale industries only by the size, capital and resources and labour force employed therein, but they differ from rural and cottage industries in as much as the former are mainly located in urban areas as separate establishment, while the latter are generally associated with agriculture and provide only subsidiary occupation to the village population. Power, of course, can be used in both the cases after some improvements or adjustments in place of manual motive force.

But small-scale industries, like village industries, have inherent handicaps against large-scale industries. There is already a great deal of under-employment in them. They have no levels of techniques; they are ill-organized, and are poorly assisted in finance and technique. Their costs of production are invariably high. Unlike large scale industries, they do not have their own organization
of marketing. For marketing and for the direction of their production they have to depend upon merchants and intermediaries whereby the return to the actual producer is very small. Under these circumstances the work is not continuous and does not afford even a bare subsistence to the workers engaged in them.

There can be no doubt that without the adequate development of village and small industries, such as will be possible only through planning on the basis of common production programmes, the impact of economic development on the employment situation will fall short of what is desired.

The development of the co-operative form of organization both for production and marketing in the case of small-scale and cottage industries should be the most important objective in a programme of development. Co-operation as a method of work has to be a concrete and intrinsic part of the programmes which are drawn up for this sector.

Another important aspect of the reorganization of small scale industries which we have to envisage is that for each industry as a whole through development councils and such organizations, there should develop a considerable body of internal leadership (composed of employers and employees) for consideration of the problems of these industries in a comprehensive way and to suggest practical ways and means for solution of these problems.

(ii) Large-Scale Industries

For attaining reasonable living standards rapid large-scale industrialization has been advocated for India, almost as a panacea for her economic ills. But there are certain genuine obstacles to introducing heavy and mechanised industries in the country. From our point of view, even if the establishment of such industries is
quickened and accelerated, it will not solve the problem of unemployment. The difficulties are:

(i) Experience so far proves that employment opportunities do not expand at the same rate as industrialization. Large-scale production, being mainly capital-intensive in character, would not be able to absorb unemployed man-power even in the urban or industrial sectors, not to speak of the surplus man-power released from rural areas. Since 1950, while production has had a welcome increase, employment has shown no such sign.

(ii) If it is conceded that large-scale production is a panacea not only for urban unemployment but also a remedy for rural unemployment, the heavy investment factor would alone make such a solution impracticable.

(iii) Too much concentration on the large-scale industrialization is not desirable, involving as it does such items of social costs as investment in housing and public utilities, industrial social risks such as accidents which have to be covered by social security schemes and the costs that must necessarily accompany any substantial deviation from traditional modes of living in the case of large-scale industries.

(iv) The strongest argument against too much concentration of large scale industries is to neglect the alternative middle and village sector of production.

(v) A comparative picture of investment, employment and earnings in factory and hand industries can be had from the following table:
Table No. CXIX

Statement Showing Comparison of Investments, Employment and Earnings in the Textile Industry.

(Extract from the Eastern Economist dated 19.8.55 pp.289-91)

<table>
<thead>
<tr>
<th>Item</th>
<th>Factory</th>
<th>Factory Spinning and Hand Weaving</th>
<th>Hand Spinning and Hand Weaving</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Investment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct ...</td>
<td>Rs. 1,90,00,000</td>
<td>Rs. 1,40,00,000</td>
<td>Rs. 46,00,000</td>
</tr>
<tr>
<td>Indirect ...</td>
<td>Rs. 1,75,00,000</td>
<td>Rs. 1,10,00,000</td>
<td>Rs. 25,00,000</td>
</tr>
<tr>
<td>Grant Total...</td>
<td>Rs. 3,65,00,000</td>
<td>Rs. 2,50,00,000</td>
<td>Rs. 46,00,000</td>
</tr>
<tr>
<td>II. Hand Employed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct ...</td>
<td>Rs. 3,000</td>
<td>Factory - 2,325</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Hand - 50,400</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>52,725</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Allied ...</td>
<td>Factory - 2,900</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Hand - 1,850</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>4,750</td>
<td></td>
</tr>
<tr>
<td>Total ...</td>
<td>Rs. 12,000</td>
<td>Rs. 57,475</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rs. 3,35,250</td>
<td></td>
</tr>
<tr>
<td>III. Investment Per Head of Labour Employed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Rs. 3,000</td>
<td>Rs. 435</td>
<td>Rs. 14</td>
</tr>
<tr>
<td>IV. Earnings Per Month(Average)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct ...</td>
<td>Rs. 199/-</td>
<td>Factory Rs. 82/8/-</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Hand Rs. 13/10/-</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Average Rs. 46/1/-</td>
<td></td>
</tr>
<tr>
<td>Indirect ...</td>
<td>Rs. 59/-</td>
<td>Factory Rs. 82/-</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Hand Rs. 23/8/-</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Average Rs. 52/12/-</td>
<td></td>
</tr>
<tr>
<td>Direct &amp; Indirect ...</td>
<td>Rs. 86/7/-</td>
<td>Factory Rs. 82/4/-</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Hand Rs. 14/-</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Average Rs. 48/2/-</td>
<td></td>
</tr>
</tbody>
</table>

It is clear from the above table that hand industries have larger employment potential, but their addition to the national wealth is poor. It is sizeable in the case of a factory. As a
consequence, the hand industries may not be able to raise the standard of living of the labour force employed in them to an appreciable extent. But by adoption of the modernising techniques in production, as has been discussed in the foregoing pages, employment and production can be maximised leading to a higher living standard.

The larger emphasis laid on industry in the second Five Year Plan, however, is not for general industrialisation but for basic and key industries. A considerable portion of the provision available for industry will be utilized in developing projects such as the three steel plants, development of coal production in the public sector, the heavy electrical equipment plant and a few other schemes which are under consideration. These are, of course, basic industries and are essential for any industrial development.

Adequate development of Transport requirements for these projects, the irrigation and power projects which are being undertaken, and for the general increase in agricultural and industrial production which is anticipated also make a large claim on the resources available for the Second Five Year Plan.

It is necessary to develop these sectors which have to be planned from the point of view of the economy as a whole, such as industry, transport and power which directly influence the life and welfare of the working population along with others. For the country as a whole and for each State, it is also necessary to achieve a balance between resources devoted to economic development and resources devoted to social services such as health and housing.

7. Family Planning

It has been estimated by the Planning Commission that every year due to increase in population, two million young persons enter the employment market in search of jobs. To give them jobs, a capital
investment of Rs.7,500 per person either in industry or in improved patterns of agriculture is necessary and in five years an investment of the order of Rs.7,500 Crores is needed which under the present circumstances of the country does not appear practicable. A vigorous programme for the control of population, therefore, as a long range policy appears to be an inescapable objective.

The urgency and importance of Family Planning can be further emphasized on one more account. The total working force was estimated by the Planning Commission to be 143 million in 1950-51. At present it is reckoned to be 152 million and the estimate for 1960-61 is 163 million. While estimates of existing unemployment (as distinguished from under-employment) vary, at present it is estimated that there are in India 2 Crores of unemployed or very much under-employed persons. Practically 8 crores of workers, therefore, carry the burden of maintaining 36 Crores of people. In the U.S.A., there are now 65 million jobs for a population of 150 million. The disparity is too great to escape notice. It is time that India should think of reducing the man-power pressure by adopting Family Planning techniques as well.

Family Planning intends to bring down the rate of population and to provide a healthy atmosphere and conditions specially to impoverished and under-nourished mothers and children. Frequently ill-spaced child births under-mine the health of such mothers. Consequently, a high birth rate under such conditions are inevitably connected with a high rate of infant and female mortality. In Planning for a rising standard of life the need of Family Planning can hardly be over emphasised. Family Planning is thus a vital step in economic and social planning.
Thus, a well balanced and co-ordinated development between agricultural and industrial sectors, between rural and urban areas and between economic and social spheres will raise the standard of living of the working population. It should be an essential feature of planning to attain generally acceptable balance between long-term and short-term economic development and the development of the social services on the other. Certain key industries or "industries for industry" must necessarily be developed in the form of large-scale industry. No body will like to have developed Iron and Steel Plants on primitive methods or making Railway Engines or Machine Tools on a Cottage industry basis. But when we come to industries producing consumers' goods, there is great scope for developing many of them on the basis of small-scale or cottage industries.

This economic development plan aims at liquidating the problem of unemployment and under-employment. Common base of all such development will be that substantial proportion of the new employment would come from village and small industries which should be rendered capable of meeting a large part of the needs of the community for consumer goods. Village and small industries have thus a place of crucial importance in economic development of the country.

The importance of decentralized production in the predominantly agricultural economy of our State need hardly be stressed. It has already been discussed that the operation of the centralized economic system has resulted in the concentration of wealth and means of production to the detriment of the common man. Re-organization of agriculture and industries on decentralized and democratic lines is most essential for releasing new spring of energy among the people
and in the adequate functioning of a planned economy. It has been recognized that devolution of economic power is most essential for decentralization of production. Re-organization of agriculture and simultaneous development of cottage industries are imperative to provide subsidiary or alternative occupations to petty farmers and agricultural workers and to utilize local raw materials. Small scale industries thus, not only constitute an important source of employment to the workers, but an essential co-prosperity approach as between urban and rural areas.

Conclusion - To sum up, we can say that seasonal unemployment and chronic under-employment in agriculture can be eradicated by introducing mixed and intensive farming, developing rural cottage industries based on agriculture and re-distribution of land. A substantial increase in production from village and small-scale industries must be achieved if the problem of unemployment and under-employment of the working population is to be tackled. The economic and technical problems and the problems of organisation for village and small-scale industries are, however, of a deeper character. The problems have to be tackled with all the financial and technical resources that the State can provide. Thus, the development of village and small industries have a basic role in the expansion of employment opportunities.

Agriculture and village and small industries have to be developed as part of a stable and continuing economic structure. They should, therefore, be fully integrated with the rest of economy, both rural and urban. Such integration alone will ensure a sustained process of technical improvement and of improvement in organisation.
In the field of social services especially, such as the provision of education, both general and technical and of health (Family Planning) and housing accommodation and of medical facility, it should be possible in most places to draw upon local resources and finance which can be mobilized and put into the service of the working community. There will be less strain on the resources of the State, and the effects on economic and social development may be correspondingly more favourable.