

Perpetual Agony

The Reserve Bank of India has finally come to the conclusion that stagnation in agricultural output has been a major cause of inflation. The target of 4% growth in agriculture (11th Plan targets) would require radical improvements in poultry, dairy, horticulture and fisheries production. Farming becoming more and more unsustainable for small and marginal farmers, thanks to government's deliberate policy of alienating peasant masses from land, small farmers would have to depend on non-farm sources of income, in the future. Food processing and other rural industries will require massive expansion. Whether it is at all feasible particularly in a neo-liberal regime is another matter. But the situation will definitely encourage the advocates of SEZ and mega industrial projects to advance logic for acquiring agricultural land for industrial uses.

With decline in poverty levels and rise in individual incomes, though below poverty line debate continues, the RBI expects 8.5% growth, to sustain in 2007-08. But threats of inflationary pressures and external shocks, like the recent subprime crisis in USA, linger. Given capacity utilization at its limits in electricity generation, roads, ports and major airports sectors, there is urgent need for expansion of the infrastructure supply.

Human resources will be a key element in future growth. In the bracket of below age fourteen, nearly 320 million Indians are likely to work or study further. With the government setting targets of 70 million new work opportunities during period 2007-08 (Eleventh Plan), the tertiary education enrolment is expected to increase from current 11 million to 23 million. The tertiary enrolment level in educational institutions is presently only 9% of the eligible, in India's 272 universities and 17,000 colleges. Industrial training and applied exposure, creativity in professional education, and apprentice systems at pre-university levels are urgently required for additional, trained manpower. But the availability of skilled professionals will continue to be a challenge, as talented Indians are managing key sectors at important management levels in a large number of foreign countries. Britain's medical service may collapse without Indian doctors. And Indian software wizards are increasingly making their presence felt in American establishments. □□□