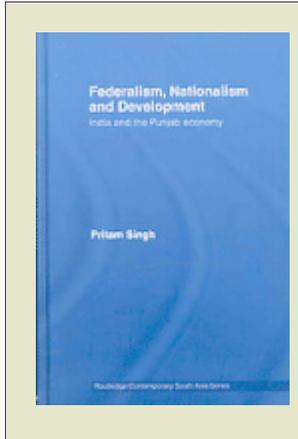


Federalism, Nationalism and Development; India and the Panjab Economy: Pritam Singh
ISBN: 978-0-415-45666-1 (2008) [223]

Book Review: Kavneet Singh



Pritam Singh is a senior lecturer in Economics at Oxford Brookes University Business School with other books under his belt. Pritam Singh in the introductory chapter has made an attempt to put some very pertinent facts in front of the readers in reference to the State versus Center relations in regards to Panjab from 1966-1991. The economic factors he raises were and still are an open wound which continues to fester and have been the bane of Panjab which the Center continues to ignore at their peril. Pritam Singh procured government documents with statistics to establish a rational argument to his thesis to hopefully counter cynics.

Chapter 2.....

The present Panjab in India was constituted as a geographical entity in 1966 as result of reorganization of Panjab as a Panjabi-speaking state. The Sikhs, who are 2 percent of India's population, constitute about 60 per cent of the population of Panjab..... The decade of the Indian state's battle to suppress Sikh militancy following the 1984 confrontation pushed the Indian federal arrangements to the limit. At times during this period, the possibility that the Indian military might be used for a large-scale genocidal massacre of Sikh youth terrified many Sikhs and non-Sikhs in India. Peace has apparently returned to Panjab since the mid-1990's but at a terrible human cost, lost economic opportunities and the ethical degradation of the political process.....

Pritam Singh [PS] has correctly summarized to a large extent the essence of the initial problems in Panjab including the unspeakable crimes of ethno-religious cleansing against the Sikhs by the leaders of India between 1984-91; but without going into detail. PS being a professor of economics and not a historian there are some errors regarding historical events.

Chapter 3.....

The framing of the Indian constitution with a strong central bias was the result of the increased political weight of the pro-centralist tendencies in Indian Politics. Centralization was seen by both the secular and the Hindu variants of Indian nationalism as necessary for forging one unified Indian national identity. The importance given to

All the "italics" are quotes from the book by Pritam Singh

central planning, in the Indian central state's strategy of economic development, further increased the political and economic power of the center.....

PS has in concise manner put in a nutshell the chicanery used by the lying, leading politicians of the 1940-50's in India to deceive every ethnic and religious group and duping them completely. The author has forgotten to mention that the key leaders in drafting the lopsided centralist, Union of India constitution were all religious ultra right Brahmin, Kathri & Baniyas namely the top three groups of the 'caste order' who even today make up no more than 15% of the so-called Hindus since the rest, all fall into a myriad of groups who have many non-brahminical beliefs but have been forcefully; by a diabolical design lumped under the Hindu religious order; albeit at the very bottom with no say in making their own destiny. PS points out the centralist planning, was chartered out mostly with overt biases of the planners and less with common sense and fair play.

Chapter 4.....

The shaping of centre-state financial relations in India is closely linked with the politico-economic logic of building India as a unified nation. The constitutional provisions regarding the greater powers of the centre is financial dealings with the states are the result of political perspective that saw the center's increased power as necessary to enable the center to play the role of a nation-builder.....

It is interesting how PS has shown that even though India borrowed money from many foreign countries including the IMF at an average the rate of 2.4%; but charged the states 7% therefore the states indebtedness increased rapidly because most of these de-facto central government loans were used for public enterprise which have rarely been profitable in India since responsibility and accountability is nil. Panjab has the highest number of policemen per 100 sq.km., area in India further taxing the state and increasing the burden of debt. It is clear that the central government has made sure that all market borrowing is controlled and that Panjab is the only state with a decreasing percentage from 1979-1988. Furthermore by overtaxing the land resources to the limit and purposely limiting the industrial development thereby making the state completely dependent on agriculture. Central planners knew fully well the sustainability and the point of saturation of the land and water resources but by portraying Panjab being as one of the highest per capita incomes achievers, in the national media wholly from agriculture though could blunt any outcry by the Sikhs from being discriminated in other fields and industries by the center.

Chapter 5.....

Although the Indian constitution provides for agriculture to be a state subject several other provisions in the constitution authorize central intervention in agriculture if such intervention is seen by the center to be in the 'national' or 'public' interest. These central interventions have undermined the formal control of agriculture by the states and, as a result of this, the agricultural sector has in reality come increasingly under central control.....

The retrograde policies of the central leaders and planners due to their major biases towards non-Hindi or non-Hindu states has been so blatant, that Article 48 of the Indian constitution even prohibits the killing of cows and calves which is nothing more than keeping the cow 'holy' when most of the poor cows are starving to death. On the other

hand the center using the fertile land and the known qualities of the Sikh farmers wanted to milk the proverbial cow dry for the benefit of all others regardless of the consequences with absolutely no fair compensation to the farmers. In a very socialist mindset model the center has all the power to exercise control over of prices of grain-commodities thereby making the hardworking farmer's margin wafer thin or on many occasions a loss.

Chapter 6.....

The lack of adequate public sector investment deprived the historically backward industry in Panjab of the necessary stimulus it needed to overcome its backwardness. The duality of Panjab's agricultural development and industrial backwardness was most dramatically manifested in the low credit-deposit ratio in Panjab.....

Investment by the center in Panjab from 1985-2000 has been 0.75% average when it represents 2.5% land and population respectively. Since 1991 all the states have made a departure from agriculture to industrialization while Panjab [the only state] has been forced by design to remain backward by keeping its own resources from itself and further exacerbating a bad situation by distributing its bank deposits to other states for the benefit of major industrialization. As of 2009 the total debt of Panjab is Rs.62,000 Crores. The Center's co-opted leadership at the State level will make sure it stays that way, if the past is any indicator of the future. While the opportunistic, highly corrupt and nepotism filled leadership of Panjab will continue to make money at the cost of the fast decaying agrarian economy.

In conclusion a valiant attempt at proving some of the very basic issues which were demanded by Panjab in the late 1970's which even after 30 years have not been resolved and the Center has purposely vacillated and procrastinated due to inherent religious-racist biases by the rulers at the helm. The Sikhs very sensibly and patiently initially, in a long, non-violent struggle tried very hard for years for the center to see the light, in making practical remedies by amending the Indian constitution so it would bring equity to some major unethical and illegal policies but everything had and has still fallen on deaf ears. PS concludes rightly; that without unbiased, independent, sensible and just changes made in the constitution of India the economic wounds will never heal.

Pritam Singh did mention two issues very briefly; but these have not been examined in any detail, primarily the "riparian rights" and the "price control on commodities" related to Panjab. These are very important issues related to development of the agriarn economy of Panjab. Readers with an interest in facts and figures will like this book and the author has done a good job but it would be even better if there is another volume to highlight my previous two points further. A book worth reading!