



Development Issues of Indian Economy

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Introduction :-

On one hand, India is receiving accolades for a sustained growth rate and on the other, it is still a low-income developing economy. Even today, nearly 25 percent of India's population lives below the poverty line. Also, there are many human and natural resources which are under-utilized. In this article, we will explore the economic issues in India.

Methodology:-

The present study relies on the secondary data to make an Development Issues of Indian Economy economy. The data sources are reports of National Account Statistics, a publication of ministry of statistics and programme implementation (MOSPI); Handbook of Statistics on Indian Economy and Monthly Bulletin, Reserve Bank of India; Export-Import Database, Ministry of Commerce, Government of India; and annual reports (various issues), Ministry of Micro Small and Medium Enterprises.

1. Low Level of per capita income:-

Usually, developing economies have a low per-capita income. The per capita income in India in 2014 was \$1,560. In the same year, the per-capita Gross National Income (GNI) of USA was 35 times that of India and that of China was 5 times higher than India.

Further, apart from the low per-capita income, India also has a problem of unequal distribution of income. This makes the problem of poverty a critical one and a big obstacle in the economic progress of the country. Therefore, low per-capita income is one of the primary economic issues in India.

2. Huge dependence of population on agriculture:-

Another aspect that reflects the backwardness of the Indian economy is the distribution of occupations in the country. The Indian agriculture sector has managed to live up to the demands of the fast-increasing population of the country.

According to the World Bank, in 2014, nearly 47 percent of the working population in India was engaged in agriculture. Unfortunately, it contributed merely 17 percent to the national income implying a low productivity per person in the sector. The expansion of industries failed to attract enough manpower either.

3. The existence of chronic unemployment and under-employment :-

The huge unemployed working population is another aspect which contributes to the economic issues in India. There is an abundance of labor in our country which makes it difficult to provide gainful employment to the entire population.

Also, the deficiency of capital has led to the inadequate growth of the secondary and tertiary occupations. This has further contributed to chronic unemployment and under-employment in India. With nearly half of the working population engaged in agriculture, the marginal product of an agricultural laborer has become negligible. The problem of the increasing number of educated-unemployed has added to the woes of the country too.

4. Slow improvement in Rate of Capital Formation :-

India always had a deficiency of capital. However, in recent years, India has experienced a slow but steady improvement in capital formation. We experienced a population growth of 1.6 percent during 2000-05 and needed to invest around 6.4 percent to offset the additional burden due to the increased population.



Therefore, India requires a gross capital formation of around 14 percent to offset depreciation and maintain the same level of living. The only way to improve the standard of living is to increase the rate of gross capital formation.

5. Inequality in wealth distribution :-

According to Oxfam's 'An economy for the 99 percent' report, 2017, the gap between the rich and the poor in the world is huge. In the world, eight men own the same wealth as the 3.6 billion people who form the poorest half of humanity.

In India, merely 1 percent of the population has 58 percent of the total Indian wealth. Also, 57 billionaires have the same amount of wealth as the bottom 70 percent of India. Unequal distribution of wealth is certainly one of the major economic issues in India.

6. Poor Quality of Human Capital :-

In the broader sense of the term, capital formation includes the use of any resource that enhances the capacity of production. Therefore, the knowledge and training of the population is a form of capital. Hence, the expenditure on education, skill-training, research, and improvement in health are a part of human capital.

To give you a perspective, the United Nations Development Program (UNDP), ranks countries based on the Human Development Index (HDI). This is based on the life expectancy, education, and per-capita income. In this index, India ranked 130 out of 188 countries in 2014.

7. Low level of technology :-

New technologies are being developed every day. However, they are expensive and require people with a considerable amount of skill to apply them in production. Any new technology requires capital and trained and skilled personnel. Therefore, the deficiency of human capital and the absence of skilled labor are major hurdles in spreading technology in the economy.

Another aspect that adds to the economic issues in India is that poor farmers cannot even buy essential things like improved seeds, fertilizers, and machines like tractors, investors, etc. Further, most enterprises in India are micro or small. Hence, they cannot afford modern and more productive technologies.

8. Lack of access to basic amenities :-

In 2011, according to the Census of India, nearly 7 percent of India's population lives in rural and slum areas. Also, only 46.6 percent of households in India have access to drinking water within their premises. Also, only 46.9 percent of households have toilet facilities within the household premises.

This leads to the low efficiency of Indian workers. Also, dedicated and skilled healthcare personnel are required for the efficient and effective delivery of health services. However, ensuring that such professionals are available in a country like India is a huge challenge.

9. Density of Population and Age Structure :-

According to the 2011 Census, India had a population density of 382 per square kilometer as against the world population density of 41 per square kilometer.

Further, 29.5 percent was in the age group of 0-14 years, 62.5 percent in the working age group of 15-59 years, and around 8 percent in the age group of 60 years and above. This proves that the dependency burden of our population is very high.

10. Under-utilisation of natural resources :-

India is rich in natural resources like land, water, minerals, and power resources. However, due to problems like inaccessible regions, primitive technologies, and a shortage of capital, these resources are largely under-utilized. This contributes to the economic issues in India.

Lack of infrastructure

The lack of infrastructural facilities is a serious problem affecting the Indian economy. These include transportation, communication, electricity generation, and distribution, banking and



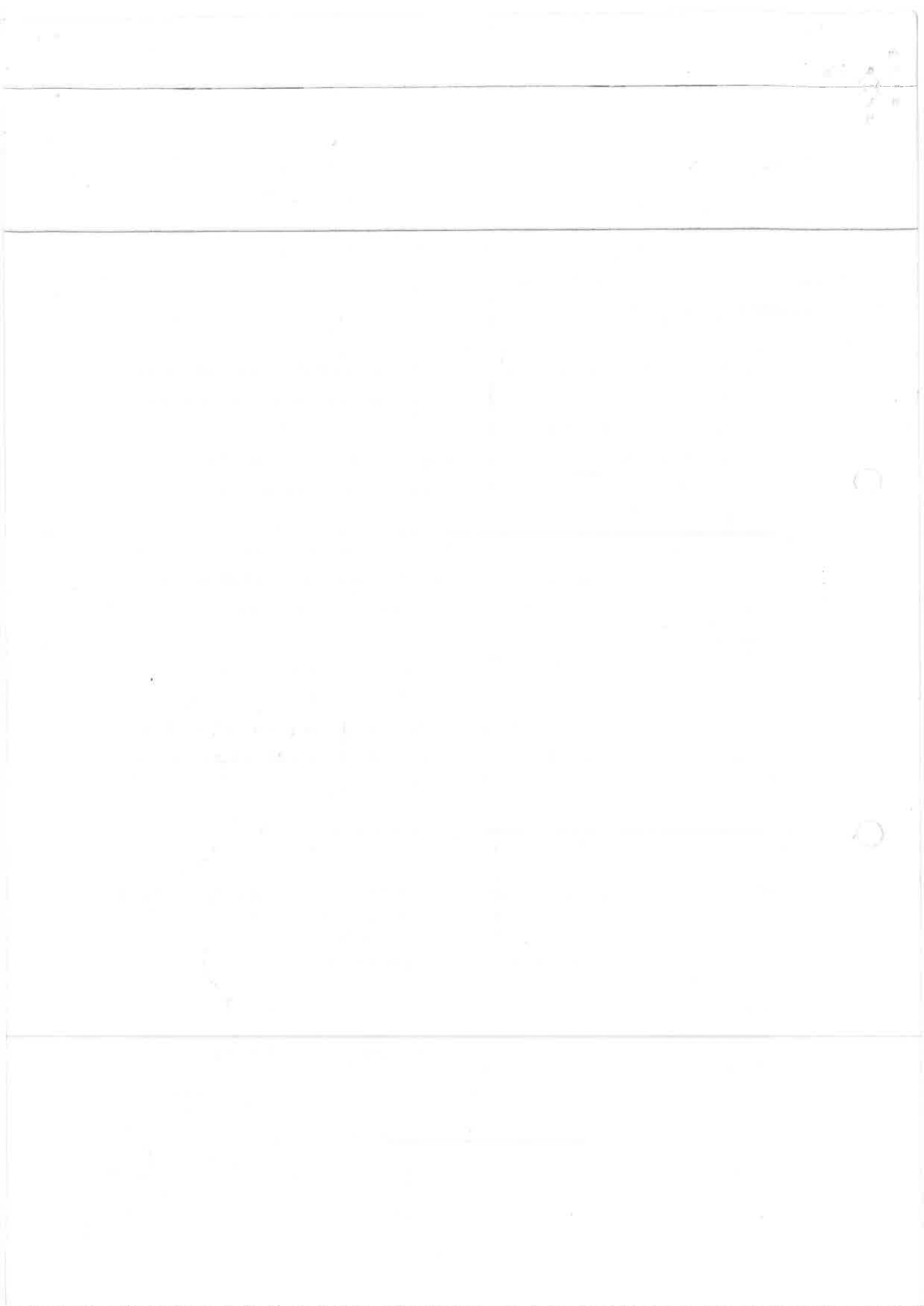
credit facilities, health and educational institutions, etc. Therefore, the potential of different regions of the country remains under-utilized.

Conclusion :-

1. Apart from the the low per-capita income, India also has a problem of unequal distribution of income. This makes the problem of poverty a critical one and a big obstacle in the economic progress of the country.
2. About 47% of India's population was engaged in agriculture. Unfortunately, this contributed only 17 percent to the national income, resulting in lower per capita productivity in the region.
3. We have a high-level of birth rates and a falling level of death rates. In order to maintain a growing population, the administration needs to take care of the basic requirements of food, clothing, shelter, medicine, schooling, etc. Hence, there is an increased economic burden on the country.
4. The problem of the increasing number of educated-unemployed has added to the woes of the country too.
5. India had a population density of 382 per square kilo meter as against the world population density of 41 per square kilo meter. This proves that the dependency burden of our population is very high.

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**“Understanding Contemporary Maoism in India.”
“Challenges of Internal Security in India”**

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Tribes and Naxalism

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Abstract :

India has a largest tribal people and the tribal's are friends of nature the areas inhabited by the tribal's constitute a significant part of the under developed areas of country .India Naxalite started in 1967 as armed peasant in the west Bengal village Naxalbari. To protect rights of tribal poor farmer .and also create a classless society mind of Mao. In 2006 India's prime minister Dr. Mahanmohan Sing noted that Naxal Maoist movement affected 20 states .the movement is more active in Jharkhand, Bihar, Andhra Pradesh, Madhya Pradesh, Maharashtra and the eastern states.

Naxals have been openly support various groups in India such as Assamese, Bodos ,Mizos, Nagas ,Gurkhas ,A difficult situation could arise if such groups together resolve to run their activities against the Indian state. the communist party of Nepal has been making try to establish strong support with communist party of India. Nepalese Maoists and some Indian CPM(I) are member of Committee of Maoist parties and Organization of south Asia the aim of committee is to coordinate consolidate unity among maoist parties. South asia and to lend mutual assistance .organization is working with a well thought out strategy of unifying the left wing group in the region. They able to achieve some success .the Nepalese Maoists have played a significant and crucial role in the emergence of another Maoist party in the subcontinent the communist party of Bhutan.

The CPI(M) and the CPN(M) have been trying to carve out a 'Red Corridor' that would stretch between Nepal and the Dandakaranya forest in central India. The corridor might actually stretch further south to Tamil Nadu. This would facilitate the easy movement of arms across the subcontinent and would help in safety re-locating rebel cadres in distant areas in the wake of the security forces intensifying their operations against the guerrillas in an areas. this would also facilitate expansion of extremist's presence in never areas.

The Social and Economical condition of Tribal's :

The socio-economics condition of the tribal's people of the India is bad. their standards of living are low. The development schemes have not brought any change in the life of majority of the tribal people. Inclusive growth is not making the fruits of development available and accessible to the tribal population of India. It is necessary that steps should be taken to make these people informed about the development schemes. at the same time procedures of the schemes should be made easy so that the number of total benefitted families increases.

The tribal development policies:

A trial situation would indicate that the strategy for development would require an intensive approach to the tribal problems in terms of their geographic and demographic concentration, if the faster development of the community is to take place. A number of commissions and committees were appointed in the recent past to look into the problem of development in the tribal areas in the country and they have recommended a number of



measures to remove the social-economics imbalances and to breakdown their old barrier, which existed in the tribal areas. The tribal development many committee are appointed such as :-

- The Schedules Areas and scheduled Tribal Commission (1961);
- The Special working Group on Cooperatives for Backward Classes (1961)
- The committee on Tribal Economy in Forest Areas (1967) ;
- The Task Force on Development of Tribal Areas (1972)
- The Study Group on Relief of indebtedness Land Alienation and Restoration in Development Agency Area (1973)
- The Study Team on Co-operative Structure in tribal Development Project Areas(1976)
- The Team of Marketing, Credit and Cooperation in Tribal Areas(1978)
- Etc

Naxalism is a big problem in India. Naxalism has posed a major challenge to India Today. Naxalism is rampant in Jharkhand, Bihar, Andhra Pradesh, Madhya Pradesh, Maharashtra and the eastern states of India. In 1967, under the leadership of Charu Mujumdar , Kanu Sanyal and Jungle Santhal, the landless were revolted. And the listen movement began. This movement is called Naxalite. Naxalism is also called Maoism in India. The Naxalites have adopted different principles than the ideas of Marx, Lenin and Mao.

In the 1920s, the communist movement emerged in India. In the 1940s, the party led two major battles in rural areas. The Communist Party played a major role in the formation of the 'te bhga' of Bengal and the Telangana movement in the south. It means three parts. In Bengal, the laborers working in the Bhat fields were being exploited on a large scale. The exploiters were mainly Bengali landlords. Between 1946 and 1951, the Communist Party rallied the workers and proposed that the goods produced should be divided into three parts, two parts to the laborer and one part to the landlord. From this, the demand for (kasel tychi jmina) was made. A similar agitation took place in Telangana.

On the initiative of Mujumdar, several leaders came out of the CPM on May 1, 1969 and formed the C.P.IM.L .party. Charu Mujumdar was arrested in 1972. After that, the movement was delayed for many years. Later, the leaders of Andhra Pradesh formed the ' People's war Group' in 1979. For this, Kondapalli Sitaramayya took the initiative.

1988, the C.P.I.M.L. and the 'People's war group' came together and under the leadership of Mupalla Laxmanrao alias Ganapati, the Naxalite movement was started. The Communist Party of India (Maoist) slowed down the joint organization and the militant wing of the Maoists. Maharashtra, Chhattisgarh, Uttar Pradesh, Bihar, Jharkhand, West Bengal, Orissa, Andhra Pradesh, Karnataka, Tamil Nadu and Kerala. He plans to make an impact in the whole of India by 2050. Some Naxalites formed a group called 'Janshakti Dalam' but at the same time Naxalism deviated from its core so that anyone could join the Naxalite groups.

At the same time, the original motives were abandoned and the poor tribals were killed for personal gain. The only objective movement was to kill the common people and the police to spread terror. My point of view for Research is to analyze the relationship between Adivasi and Naxalism also to study, the Review of anti-Naxal campaign third point is to find out how to prevent Naxalism from being captured



Naxalwadi and tribal people:

At the beginning of the Naxalwadi movement, the tribals had a large support of the Naxal. Because at the beginning of the Naxal instruments, there were traders, contractors and foresters in this area. The tribals were being exploited by all of them. Land allotted. Due to this, he initially had the support of the tribals But later many tribal welfare schemes started by the government started benefiting the tribals. As a result, the tribals started moving away from the Naxals.

He began to oppose government plans, opposed the construction of roads, closed schools, demolished government buildings. Opposed to sending children to school. Opposed to doing government jobs. Due to this, the tribal community moved away from Naxalism

To study the Review of anti-Naxal campaign

A large number of paramilitary forces, including local police, have been involved in the Naxal- operation. State Reserve Police Force, Central Reserve Police Force, Indo-Tibetan Police Force have also been involved in the operation. However, the Naxalite activities have not stopped. The police are trying to mobilize the locals against the Naxalites as they cannot go there as there is a Naxalite base in the dense jungle. One such movement is the 'Salwa Judum'.

The Economics of the Naxalite Movement

The economic turnover of the Naxalites is huge. In the 1980s, the Naxals first started collecting ransom from paper mill and tendupana traders and also by taking wages from tribals by increasing their wages. Later, the Naxals were forced to supply explosives and other items

If the work of paper mill is stopped, Naxalwadi tribal's are forced to take out rallies and start paper mill.

Government Schemes -

- 1) Established inter-state committee and tried to bring unity in action
- 2) Provided resources to the states for dual schemes such as development and police action
- 3) Late development work was undertaken to accelerate economic development
- 4) Started to implement effective strategies for surrender and rehabilitation of Naxals

Reasons why Naxalism does not exist ---

1) Role of Security Forces - Security forces also play a defensive role. Try to avoid loss of life. So some of the Naxalite meetings and so on ignore the scale

2) Neglect of development -

- 1) Lack of facilities in Naxal-affected areas
- 2) Roads lack electricity
- 3) Lack of health facilities
- 4) Lack of ration shop
- 5) There is corruption in the tribal development department

Consequences of Naxal movement -

The impact of Naxalism on mineral resources has had an impact on development

Opposing the development of Naxalwadi, they do not come up with the idea of building roads, electricity, health etc. in this area.

The Naxals have closed schools due to their opposition to education, so the children in the area are not getting education



The role of local leaders and political parties :

As far as Maharashtra is concerned, Shiv Sena chief Balasaheb Thackeray had supported Naxalism in the early days, but later gave up. In Bengal, Mamata Banerjee openly enlisted the help of the Naxalites to win the elections. But after winning the election, there were differences between him and the Naxalites, and they took action against the Naxals. In Chatsgarh, Mahendra Karma took a stand against the Naxals while Karma Against As soon as he left, Ajit Jogi stood up to oppose Karma on the side of Naxalism . Today, there is no development in the Naxal-affected areas .There is no formula in the policy of the government. There are no systems in the area to tell them that hospitals will come. Now that the Naxalite movement has become a gang of ransom seekers, the government faces many difficulties in formulating policy.

Conclusion

- 1) To create large scale mapped industries
- 2) To deploy police in tribal villages day and night
- 3) To create residential education facilities for tribal children in urban areas
- 4) To protect tribal's from Naxalites

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