

Proprietary Classes

HS30085 Indian Economy

Proprietary Classes – 1950s-1980s

- Plurality and heterogeneity of classes
- **Industrial capitalists class**
 - Supported the industrial policy of India
 - License Raj to prevent emergence of new enterprises
 - Violating restrictions
 - Unauthorized regularization of capacity
 - Emergence of newer powerful business houses
 - Public financial institutions and emergence of bourgeoisie capital
 - Internal financing declined

Proprietary Classes – 1950s-1980s

- **Industrial capitalists class**
 - No conversion of bank loan as equity
 - Take over of Sick units
 - Growth of monopoly power
 - Emergence of new business houses – Ambani, Modi, Nanda
 - Expansion of small scale sector and coalition or takeover by big businesses – tail distribution
 - Restrictions on foreign capital and trade (Ashok, Hindustan, Indian Tobacco, Dunlop)

The class of rich farmers

- Land reforms and process of transfer of land from non-cultivating, absentee, upper-caste landlords to enterprising rich farmers belonging to middle castes
- Price support, farm subsidies, no taxation
- Identification problem of classes in rural India
 - Assets ownership
 - Exploitation and ownership
- Poor peasants and labours: Dyadic and clientelist relationship with rich farmers
- No class consciousness among poor
- Intermediate class – family farmers – ally rich farmers
- So even left support multi-class movements for electoral benefits

The class of rich farmers

- Disappearance of semi feudal class in rural India
- Emergence of capitalistic agriculture (conflicts are more of agro-industry)
- Caste and cultural differences hindering class formation – UP Rajput and Jat landowners, Bihar: Bhumihar and Yadvas – support different forums
- But they unite for farm benefits
- Conflicts are not for agri related but for reservations
- Class interest of farmers and alliance propensities on the basis of interest – needs numerical support – so class interest and no cultural exchanges
- Class-Caste alliances and new form of pressure groups

Professionals (Civilian and military) Class

- Marxist's view of bureaucracy as a class
- Why this as a class – Human capital
- Bureaucracy as a parasitic class
- Patrimonial bureaucratic system from Moghul to British – recruited from literari caste groups
- Class and caste roots of Indian bureaucrats – Independent civil service
- More for administrative, educational and judicial administration than the technological or industrial growth

Professionals (Civilian and military) Class

- Scarcity value for education and profession in poor and illiterate country
- This class diverted the funding of education to maintain scarce value
- + License power authority

= Rent seeking activities

- Education as a passport to prospect of a secure job in bureaucracy and professions for under privileged
- Bitterest caste struggles

Conflicts in the dominant classes

- The class enemy and co-conspirators
- Rhetoric of cleavage of Bharat and India
- Urban lobbies and parasitic intelligentsia – Conflicts between rich farmers and urban bourgeoisie capital
- Terms of trade between agriculture and industry

Conflicts in the dominant classes

- Conflicts between class of professional and other proprietary classes
 - Conflicts between civilian bureaucrats and bourgeoisie class
 - Use of populist socialist slogans by professionals for consolidation
 - Shoot up in defence expenses
 - Limited control of bureaucrats on rich farmers
 - Coalition of upper caste bureaucrats and backward castes – A peculiar case of Karnataka

Summary and Conclusion

Summary

Conclusion

Reading/Reference

Pranab Bardhan (1998). The political economy of Development in India.
Oxford India Paperbacks, New Delhi