
UNIT 15 SUSTAINABLE ECONOMY AND SOCIAL JUSTICE

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15.1 INTRODUCTION

“For me, an India, which does not guarantee freedom to the lowliest of those born, not merely within an artificial boundary but within its natural boundary, is not free India. ...I shall strive for a constitution which will release India from all the thralldom and patronage, and give her, if need be, the right to sin. I shall work for an India in which the poorest shall feel that it is their country, in whose making they have an effective voice; an India in which there will be no high class and low class of people; an India in which all communities shall live in perfect harmony. ...Everyone must have a balanced diet, a decent house to live in, facilities for the education of one’s children and adequate medical relief...”

– **Mahatma Gandhi**

India embarked on planning after its independence in 1947. Influenced and inspired by the ideologies of capitalism, socialism, liberalism, and Gandhism, the planning took the model of ‘mixed economy’ with coexistence of public and private sectors. It aimed at the goals of economic growth with rising national and per capita incomes; reduction in inequalities – both personal and regional; full development of manpower resources including employment generation; eradication of poverty; and self-reliance with emphasis on science and technology

and modernisation. However in every plan all these goals were not given the same importance. The earlier plans also emphasised heavy and basic industries.

This 'growth with equity or social justice' became the overriding general goal, presumed to spread its benefits to all the sections of society and to reach the poorer and weaker sections of the society also, thus resulting in all-round development. Though India has achieved significant progress in agricultural production, industrial output etc. and in GDP in the present decade, the goal of equity or social justice was not satisfactorily achieved. During the 1990s and later, environmental concerns became very strong with emphasis on sustainable development. Presently, along with the achievement of sustainable economy, the realisation of social justice has also become very important. As Gandhi suggested, the necessities of life 'should be freely available to all as God's air and water are or ought to be, they should not be made a vehicle of traffic for the exploitation of others'.

In July 1991, India liberalised its economy and made a significant change in its development policy placing emphasis on private sector and market-oriented approach. This policy is continuing, gaining more acceptance and is referred to as the LPG model (Liberalisation, Privatisation, Globalisation) which has replaced the earlier LPQ (Licence, Permit, Quota) regime. The government's planning has been confined to social sector and infrastructure, covering poverty eradication, employment generation, education, health, transport and other infrastructure. In other words, now the whole private enterprise concentrates on business while the government has taken the responsibility of equity or social justice wherein a lot has to be done.

Aims and Objectives

After reading this Unit, you would be able to understand

- The meaning of sustainable economy and social justice
- the present socio- economic profile of the Indian economy
- measures to promote social justice in the context of ensuring a sustainable economy

15.2 SUSTAINABLE ECONOMY-ITS SIGNIFICANCE

15.2.1 Sustainable Development

Sustainable economy means an economy that is ready to embark on a sustainable development. In the second half of the twentieth century, much emphasis was laid on peace, freedom, development and environment. Peace was needed after the Second World War ended. Freedom was demanded by people in the colonies. Both these were achieved to a large extent, and attention centred on the remaining two.

The pace of rapid development, especially after the 1950s, affected environment adversely. It was realised that both development and environment are very much needed for the survival and good life in the posterity. From the studies and discussions on the relationship between development and environment, the concept of sustainable development emerged.

The most popular definition of sustainable development was given by the UN's Brundtland Commission's report which states that 'Humanity has the ability to make the development sustainable - to ensure that it will meet the needs of the present without compromising the ability of the future generations to meet their own needs'. This definition stresses the resources regeneration or renewal and their optimum use for the benefit of people, society and the world community.

The 2002 World Summit on Sustainable Development (Johannesburg) expanded this definition by adding three models used as pillars of sustainable development: economic, social and environmental. The Johannesburg declaration created 'a collective responsibility to advance and strengthen the interdependent and mutually reinforcing pillars of sustainable development – economic development, social development and environmental protection – at local, national, regional, and global levels'. This view has been criticised as having more emphasis on economic development and 'such a narrow definition obscured (their) concerns for human development, equity and social justice'.

Sustainable development is also discussed in terms of what is sought to be achieved. This is discussed with reference to three sets of goals to be achieved in short term (by 2015) given by the UN; medium term (by 2050) given by the Board on Sustainable Development of the US National Academy of Sciences and long term (beyond 2050) given by Global Scenario Group which assisted the Board (Kate et al, 2005).

The short-term goals are reflected in the Millennium Development Goals Declaration of the UN (September 2000), eight of them, that cover peace, development, environment, human rights, and attention on vulnerable-hungry-poor. Some of these were specific, like cutting poverty by half and achieving universal primary schooling by 2015. In medium-term, the short-term goals and larger set of human needs would be achieved by 2050. In the long-term there would be much greater achievements for all humankind including a 'rich quality of life, strong human ties, and a resonant connection to the nature'.

The sustainable development debate continues to be dynamic. Different groups of experts and different institutions have added to its various aspects with the goal of making development people-oriented and environment more and more renewable so that life of more people can be enriched. It has become a social movement for the welfare of people and for sustaining their development along with environmental protection. In the present study these aspects of social justice and equity will form a special focus with reference to India.

15.2.2 Sustainability

Sustainability is a broad concept that speaks about the ability of a society to sustain itself. What does sustaining a society mean? Is it only human beings or all living creatures? Further, sustainability should be at what level? Is it at survival or subsistence level or a very high standard of life? It is also argued that sustainability will depend on collective values and choices that a society chooses and such choices are political at national or macro level.

Prugh T & Assadourian E (2003) point out that 'it may be convenient to think about sustainability in terms of four dimensions – human survival, biodiversity, equity, and life quality. These are four parts of a pyramid at whose base level is human survival which gives sustainability at the minimum level. As we move up the pyramid the sustainability is at higher levels of welfare covering freedom, fairness, fulfillment and related ideas. It means if we want to move to higher levels of sustainability, we have to pay attention to biodiversity, social justice and equity, and ending with sustainability with a very high quality of life. This study looks into sustainability with social justice and equity under given resources, level of development and future potential. All these are dynamic concepts and values over which individuals and communities may differ.

When we say that sustainability is a dynamic concept, we should note that sustainability, once achieved, has to be maintained or it can be lost. The following box (Box 1) gives a typical illustration:

Box 1: Sustainability in Easter Island

Easter Island is a speck of land in the then Pacific Ocean 2000 miles off the Chilean coast. This remote place and its people have been studied intensely for years, for Easter Island today bears little resemblance to the island settled by voyaging Polynesians over 1500 years ago. The Island's dramatic story tells us a great deal about sustainability.

When the new arrivals beached their ocean-going canoes, they found a lushly forested place offering several valuable tree species, including large palms suitable for building timber-framed dwellings. For food, the settlers has brought chickens (deliberately) and rats (inadvertently), but the island also teamed with edible birds. Dolphins, seals, and the crops typical of Polynesian culture—bananas, taro, sweet potatoes, and sugarcane—rounded out the settlers' diet. They thrived on the island's abundance and their numbers eventually grew to perhaps to 7000 (20,000, by some estimates). A sophisticated hierarchical culture emerged, wealthy and organized enough to produce the island's remarkable stone statues. Hundreds of these sculptures were carved over the centuries, and more than 200, some weighing over 80 tons, were raised up onto stone pedestals.

But the Eastern Islanders' success triggered their undoing. Generations of harvesting trees for building, making rope, and for fuel wood—and of seed-eating by the stowaway rats—led to complete deforestation. (When the Dutch explorer Jacob Roggeveen first saw Easter Island in 1722, it was shrubby grassland.) The spiraling competition among clans to build and raise ever-larger stone statues, which required a lot of timber for rollers and other simple machines, took a particularly heavy toll. Pollen analysis suggests that the last of the great palms were cut down in 1400. Bird nesting grounds were destroyed along with the forest; that and direct consumption drove every native land bird species to extinction. As the trees disappeared, so did the means to build the traditional big canoes.

Fish and dolphins from deeper offshore waters could no longer be harvested (and escape or migration to other islands became impossible). Firewood supplies dwindled and streams dried up. Soils eroded and became less fertile.

In short, the Island's carrying capacity plummeted. Food surpluses disappeared, leading to cannibalism. With the surpluses went the social complexity. Eventually the population crashed by 75 to 90 percent and the culture devolved. Roggeveen found perhaps 2000 people on the island, living in "singular poverty".

Prugh Thomas & Assadourian Erik, 2003, in 'What is sustainability, Anyway'. pp.19-20

The Eastern Island example tells us what happens to sustainability if environment and resources are abused and people do not exhibit the needed concern for sustainability. It highlights the need for utilising resources consistent with biodiversity, conforming to the principles of social justice, and avoiding an excessively consuming behaviour.

The above example, as the experts say, is a potent warning offering the following four lessons:

- a) Human beings respond strongly to incentives to overuse of resources. People prefer to find more resources than regulate their use and conserve existing resources.
- b) We do not pay attention when things go wrong gradually. 'Bounty is taken for granted' without realising that gradual overuse will wipe it off.

- c) 'Declining resources can undermine the very organizational structure and capacities needed to fashion a response'. We can deal with short-term threats, not long-term ones. Actually, 'culture, including our social organizations, social learning, science and politics, is our only defence against the latter'.
- d) The failure of East Island culture to understand the erosion of resources, environment and standard of living, led not to its extinction, but to its radical impoverishment and loss of capability to preserve itself.

Thus sustainability depends not only on resources and environment but also on how people govern themselves. It highlights the necessity of using resources in a way that can be sustained for a long time and all people participate and develop a culture of sharing resources on the principles of social justice and equity.

15.2.3 Sustainable Economy

Sustainable economy could be stated as the situation and capacity of an economy to perpetuate or sustain itself at the given resource endowment and chosen national and social goals. It indicates the rate at which the economy must grow to satisfy the needs of the society and at the same time have sufficient surplus to maintain the growth rate to feed the growing population and other life systems.

In the Indian context, sustainable economy has to be a dynamic concept. It is the ability of the economy to sustain high growth rate and simultaneously ensure a mechanism to distribute the benefits of the growth among people equitably on the principle of social justice. It must be realised that Indian economy can be sustainable only if the socio-economic goals – especially poverty eradication, reduction of personal and regional inequalities, and employment generation are achieved and basic infrastructure is created to the extent of helping the people to contribute and participate in the developmental process.

The achievement of socio-economic goals including social justice will help in creating and carrying forward a sustainable economy in the long-term but at the same time the prevailing economic structure and situation and the developmental process should concentrate on the realisation of the socio-economic goals. There has to be a symbiotic relationship between building up a sustainable economy and achievement of social justice and equity, one reinforcing the other, resulting in the process and achievement of sustainable development.

15.3 SOCIAL JUSTICE– ITS NECESSITY

Social justice refers to a fair and just treatment of every section of a society. If there is no just treatment and if there has been a victimisation of a section in the society, it is said to suffer from social injustice. For example the practice of untouchability, which is banned by law now, when it existed, was an example of extreme social injustice to people of certain castes who were ill treated.

Social justice is a wide and multidimensional concept. It is very difficult to grasp the 'holistic' view of social justice. Every discipline like political science, economics etc. looks at social justice from its own discipline point of view. According to John Rawls, justice is concerned with the welfare of an individual as well as of the society. From political science point of view social justice refers to fair treatment of the deprived, exploited and disadvantaged sections of a society. In economics, social justice indicates equal opportunities and distributional equity. In short, social justice refers to fairness, absence of harmful discrimination and just treatment of all sections of the society. In the present study, social justice refers to fair socio-economic

treatment of all sections of the society in the context of a sustainable economy. It demands measures that will remove the social injustice done to or suffered by certain sections of the society.

In the process of economic and social development it was earlier presumed by economic thinkers that in a free capitalist economy, the operation of the market forces will ensure that quality and efficiency is rewarded and as economic development takes place, all sections of the society get the benefits of such development. Prosperity of western societies and their high standard of living was pointed out as indicators of their 'trickle-down and spread effects'. But the problems faced by the developing economies in Asia and Africa disprove their claim. These countries suffer from a number of problems like poverty, unemployment, discrimination, exploitation and socio-economic inequalities among persons as well as regions in an economy.

Amartya Sen has highlighted that when in an economy and society significant inequalities in income and wealth are present, the poor remain poor because of lack of capabilities they suffer on account of poverty and deprivations. He advocates an effective role to be played by government, civil society and private agencies.

Sustainable economy and social justice can have a symbiotic relationship in which government and business can play significant roles. Infact sustainable economy can be achieved better, if social injustice is removed and citizens, especially poorer sections are enabled to contribute towards development. Such an economy can also allocate more resources to deal with the problems of injustice with measures like free primary education, subsidised skill-building programmes, promotion of self-employment and entrepreneurship programmes. These can raise capabilities and contribution of poorer sections to economic and social development.

Social justice measures like poverty eradication programmes and employment generation schemes can inspire the weaker and disadvantaged sections not only to improve their own lot but also contribute to asset creations as well as production of commodities, which help the economy to remain sustainable. All these demand right policies in the areas like poverty, unemployment, taxation and public expenditure to reduce inequalities and promote inter-generational equity, education, skill-building and environmental protection.

15.4 INDIA-PAST PROFILE

This section concentrates on the position of the Indian economy soon after independence, from the early 1950s, with special reference to the nature of the economy and position of social justice. The objective is to judge later, the progress in the field of sustainability of the economy and achievement of social justice.

- a) At the time of independence, the primary sector consisting of agriculture and allied activities constituted the largest sector in terms of workforce employed as well as contribution to the GDP. See Table 1 below:

Table 1: India's GDP and Workforce Distribution in 1950-1951 (%)

Sector	GDP in 1950-51	Workforce in 1951
Primary	55.9	72.7
Secondary	14.9	10.0
Tertiary	29.2	17.3
Total	100.0	100.0

Source: Misra & Puri, p.64

The rural workforce was 73% of the total workforce and contributed 60% of the GDP. The GDP itself was a small amount of Rs. 8979/- crores (at current prices). Given the large population, the per capita income was only Rs.255/- in 1950-51. The large masses were very poor, less educated, and received low wages.

- b) Large sections of the population were below poverty line which means such people are left to partial hunger. In 1973-74, about 55% of the people were below poverty line constituting about 321 million people. Poverty level was much higher in rural areas than urban areas.
- c) In 1983, in rural areas about 90% men were self-employed or were casual workers where terms and conditions were poor. 56% of the urban men were similarly employed with remaining 44% employed in regular/salaried jobs. In the case of women, in rural areas 97% were in self-employment or casual work, only 3% were in regular/salaried employment. In case of urban women 74% were in self-employment or casual employment and remaining 26% were in regular/salaried employment. The workers in general were better off in urban areas and among them males were better employed than females. This shows the comparatively poorer position of rural workers and women workers (JLE, January-March 2007, p.161).
- d) In 1983, the lowest 20% of the households had only 8.1% of the household expenditure compared to the highest 20% having 41.4% of household expenditure. It shows steep inequalities which is socially unjust.

There are other injustices about which we do not have precise data but are well known. Caste system is a major issue in which S.Cs/S.Ts/OBCs together constitute about 50% of the reservation in several areas. In the earlier period, reservations were Constitutionally provided for S.Cs and S.Ts. The OBC joined this group later. These groups have faced exploitation and discrimination for long and are now provided with special facilities and programmes for their welfare and development.

Social justice for women is another important issue. Even after independence they were not paid any significant attention. Their wages in private sector are lower than that of men. They also face many social, economic and other problems. It is only after the International Year for the Women in 1975, that more attention is paid towards women's welfare and empowerment. The group of aged, destitute, and disabled constitute another disadvantaged group. The position and problems of child labour is another example of social injustice.

Rural labour has always been in an inferior position in labour market. Bonded labour in rural areas is another category. Similar is the case of contract labour in urban areas.

The plight of unorganised labour who constitute over 90% of the labour force is also well known. So is the case with migrant workers in India.

From social justice point of view, the Indian economy and society faced a colossal problem of social injustice and it became a major challenge to the social and political leaders and governments in India. There were several movements and agitations, of the people suffering social injustice which led to the governments coming out with a number of special measures to deal with injustice.

Now as far as economic development and efforts for creating a sustainable economy is concerned, India was placed in a difficult situation at the time of independence. The parameters that influence the growth process favourably and help in building a sustainable economy were

not significant even after independence. According to Ch. Hanumantha Rao (1998), 'for this purpose some 'classical prerequisites and other parameters are essential'. These include:

i) Savings rate ii) technological change iii) Appropriate population growth rate iv) Human resources development v) Resource-use efficiency vi) Proper pricing of inputs vii) Elimination of gender bias and viii) Proper use of natural resources.

Many of these are qualitative. He clarified that technological change should be environment-friendly.

At the time of independence the savings rate was only 8.6% of the GDP in 1950-51 and later increased gradually. The technological level was low, population growth rate was high and the literacy rate was abysmal at only 18.3% and with inadequate school infrastructure. Human Resources Development had yet to take deep roots. Resource-use efficiency depends on capital, technology and human skills which were at a very low level. Pricing of inputs was a complex issue of balancing the interests of several stakeholders and had its limitations. Gender bias in terms of son preference, male domination, discrimination and exploitation did not help women in significantly contributing to development. Exploration and efficient use of natural resources was also a complex task in the absence of required expertise and technology.

Thus the Indian economy could not be called as a sustainable economy that can also contribute to social justice at the time of independence. It is only after the establishment of the Planning Commission and the implementation of several Five Year Plans that India began to move towards creating a sustainable economy, capable of releasing resources and skills needed to promote social justice.

15.5 MEASURES FOR SOCIAL JUSTICE AND SUSTAINABLE ECONOMY

The measures for creating a sustainable economy that promote social justice are discussed in this section.

15.5.1 Environment

The Constitution in Article 48A says that the state should protect and improve environment and safeguard forest and wildlife in the country. People are also expected to contribute to this. There are several laws covering water, air, and noise pollution, forests, wildlife and pest-control. Proper implementation of these laws can go a long way in creating a sustainable economy. However our focus is on social justice.

15.5.2 Sustainable Economy

During the planning period beginning from 1951, the government has taken a number of steps to make the economy sustainable. The goal of 'self-reliance' precisely reflects the government's aim of creating a sustainable economy.

Government's efforts can be discussed in terms of the parameters given by Ch.Hanumantha Rao. Major efforts were made to raise savings rate and towards the mobilisation of small savings. The nationalisation of banks in 1969 and 1980 helped in this process. In the initial period and up to 1980s foreign aid came in handy for adding to the resources mobilised for development.

In science and technology, rural and industrial development, the government emphasised 'self-reliance'. In agriculture the government went for food self-sufficiency through better technology and seeds under the 'green revolution' during the mid-1960s. In industrialisation it went for

basic and heavy industries like iron and steel and heavy machinery industries and also opted for import substitution.

The Government took measures for controlling population growth rate but compulsory measures were resisted. The government has been relying more on incentives and on concentrating on 'family welfare planning'.

In human resources development, school education was promoted in a big way, a net work of vocational training institutes was established, and the higher education institutional network was expanded, like the Indian Institutes of Management (IIMs) and Indian Institutes of Technology (IITs).

In the field of resource-use efficiency, the government also promoted productivity under the apex 'National Productivity Council' and quality control framework including the Bureau of Indian Standards (BIS) for certifying and encouraging quality standards. It also promoted R & D activities in pharmaceutical and food-processing industries.

In the area of pricing of inputs, government made attempts to balance the interests of producers like the farmers and manufacturers and the consumers. Institutions like the Commission on Agricultural Costs and Prices, and Bureau of Industrial Costs and Prices have been established to ensure prices based on costs, demand, supply, balancing and development requirements.

Attempts were made for women's empowerment, especially after 1975. Some of the measures include setting-up of National Commission for Women, reservation in local bodies, Women entrepreneurship promoted by institutions like Mahila Arthik Vikas Mahamandal (MAVIM) in Maharashtra and by institutions for entrepreneurship at central and state levels.

Natural resources are very vital for development and good life. Government has been promoting usage, conservation, and exploitation of minerals and metals. National Forest Policy Resolution takes care of forests, their expansion and development. Similar steps were taken for optimum utilisation of water, soil, petroleum and gas etc.

A significant change took place in the role of government since 1991 when the economic reforms were introduced under the liberalisation regime. As a result, government is withdrawing from areas like business leaving them to market forces, and the basic focus of creating a sound and sustainable economy is now being shared between government and the private sector.

15.5.3 Social Justice

In the process of creating sustainable economy, the government has also been promoting social justice wherever possible by promoting special schemes for the needy sections, keeping in view the social justice aspects in the society. Some of the important developments are stated below.

While framing fiscal and monetary policies, the needs of poor and unemployed and the prevailing inequalities are sought to be attended to. For example, while levying taxes, government keeps this principle in view and imposes taxes to ensure that the burden of taxation is shared by people according to their abilities and capacities. In taxing income, progressive taxation is resorted to where people below a level of income are totally exempt from income tax. Government's expenditure policies pay special attention to infrastructural facilities which are needed for common people most of who are poor. Similarly by taxing incomes and commodities of richer sections, Government levies a higher rate of taxes so that more resources are mobilised and inequalities in the distribution of income and wealth are reduced.

In the field of education, training, and employment, government meets the demand of social

justice by having the policy of reservation for S.Cs./S.Ts/OBCs and other disadvantaged sections, starting from school and extending upto elite institutions like the IIMs and IITs. There is reservation for these sections, which enables them to improve their standards of living and quality of life over a period of time when they start earning better and thus overcome their chronic socio-economic problems.

A number of special measures for those who are poor and suffer from social disabilities are promoted like poverty eradication schemes like the Integrated Rural Development Programme (IRDP), Food for Work programme, Integrated Child Development Services (ICDS) and Mid-Day Meals Scheme (MDMS) for the poor and backward sections to overcome acute poverty and hunger.

Similarly special employment schemes are being initiated for poor, less educated or backward sections. The National Rural Employment Guarantee Scheme in rural areas ensures employment to one person in a household for 100 days in a year. This scheme takes care of both poverty and unemployment and also ensures creation of productive assets thus directly helping in building up a sustainable economy. Government also has schemes for urban areas like the Swarna Jayanthi Shahari Rojgar Yojana (SJSRY).

It has been promoting self-employment and micro-entrepreneurship schemes for the poor and socially deprived people. There are apex institutions like the National Institute for Entrepreneurship and Small Business Development (NIESBUD) in New Delhi and the Entrepreneurship Development Institute of India (EDII) in Ahmedabad which promote such schemes among all, with special attention to those who are disadvantaged or disabled or poor belonging to S.Cs/S.Ts/OBCs. There are such organisations at the state level also.

In spite of the above measures towards ensuring sustainable economy and social justice, there are problems of poor implementation and leakages. These aspects are discussed in the next section.

15.6 SOCIAL JUSTICE IN THE INDIAN ECONOMY

In this section we briefly analyse the effectiveness of the measures in the above-mentioned areas. It should be noted that not all measures are quantitatively measurable. Some are qualitative evaluations. The positive and negative aspects of sustainability and social justice are discussed here.

15.6.1 Positive Aspects

India's economic growth has been steadily moving towards a higher path, despite fluctuations in some years. It can be analysed in three phases. In the first phase of 1951-80 the average annual growth rate was 3.6%. During this period a strong industrial and economic foundation was laid and substantial development of basic and capital goods had taken place. During the second phase of 1981-90 the growth rate of the economy rose to 5.6% per annum. During the third phase of 1992-2007 the growth rate accelerated to 6.1% per annum. During the recent period of 2005-08 the growth rate increased to 9% per annum suggesting that from July 1991, the growth rate has been impressive. During 2008-2010, it is expected to slow down on account of the global recession but is expected to be around 6% or more. The savings rate increased from 8.6% of the GDP in 1950-51 to over 34% now.

During the period of planning, significant infrastructural development took place, which has strengthened the economy making it more sustainable. The installed generating capacity in electricity rose from 2300 Mega Watt (MW) in 1950 to 1,43,800 MW by the end of March 2006. The production of crude oil too increased from 0.25 Million Tons (Mn.Ts) in 1950-

51 to 34.0 Mn.T in 2006-07. Non-conventional energy sources like solar, biogas, and wind power are also being expanded. India's railway system is one the largest in the world with a route length of 63,465 kms. The total road length has increased from 0.52 million Kms to 3.34 Kms now. Significant progress has been made in communications, where phone connections (Landline and Cell phones) have reached the 500 million mark.

In agriculture too impressive progress has been made in the production of food grains, which has increased remarkably after the 'green revolution' that commenced in mid-1960s. In 1950-51 the total food grains production was 50.8 Mn.Ts which increased to 216-1 Mn.Ts in 2006-07. India is one of the largest producers of food grains in the world. The irrigation potential has increased from 22.6Mn hectares in 1950-51 to 102.8 Mn hectares in 2006-07.

There has also been a rapid development of public sector enterprises that produce several important commodities and services in the country. The total sales of 244 central government enterprises was about Rs.9,64,410/- crores in 2006-07.

The government has made a creditable contribution to the development of infrastructure; subsidised school education and started the National Rural Health Mission to attend to the health needs of rural poor.

The government also subsidised public distribution system (PDS) that enables poorer sections to get commodities at cheaper rates, the National Rural Employment Guarantee Scheme for the unskilled and unemployed poor, reservation in jobs for the S.Cs/S.Ts/OBCs. Provision of cheaper modes of transport in urban areas benefits common people many of who are poor. In taxation too, the poor are treated favourably, with tax exemptions and lower taxes.

15.6.2 Inadequacies in the Development

Though the sustainability of the economy has increased as indicated in rising incomes and growth rates, the benefits have gone to already better off sections, making the process of social justice difficult. Some of its negative effects are presented below.

The impact of economic reforms and accompanying globalisation policies has also been having adverse effects on social justice with benefits spread unevenly in the society. Such policies have 'multifaceted adverse effects to entire common people of the world and planetary environment.' These include the social and economic exclusion of poor who have no power in the market; unfavourable effects on the quality of employment; weakening of the trade union movement that normally stands for the protection of the workers; private business sector encroaching upon public/common property resources like water and land; food insecurity as governments may withdraw from such a role; adverse ecological impact; rising terrorism and militarisation; and potential anti-people effects when government tries to serve the needs of big business and the MNCs (Kurian V. Mathew, 2004).

The poverty levels have been coming down, but slowly after the introduction of new policies in July 1991. See Table 2 below:

Table 2: Poverty ratios and change in poverty (%)

Category	Poverty	Ratio		Change in Percent	Poverty(%) annum
	1983	1993-94	2004-05	1983-94	1994-2005
Rural Poor	45.8	37.3	29.2	-0.81	-0.73
Urban poor	42.3	32.3	26.0	-0.92	-0.59
All Poor	44.9	36.0	28.3	-0.85	-0.70

Source: Dev & Ravi, quoted in Rudder Datt, 2007

To summarise, while poverty has been decreasing at 0.85% per annum during 1983-94, in the post-reform period 1994-2005, it has decreased only by 0.70% per annum. Same is the case in rural and urban areas.

There is also increasing inequality of consumption in both rural and urban areas during the post-1991 growth. In rural areas inequalities in land ownership also continue.

Employment growth rate in organised sector, where the quality of employment is much higher, has been falling in public sector as well as on the whole as indicated in the table (Table 3) below:

Table 3: Rate of growth of employment in organized sector (% per annum)

Sector	1983-94	1994-2005
Public Sector	1.53	-0.70
Private sector	0.44	0.58
Total Organized	1.20	-0.31

Source: Economic survey, February 2008, table 10.12

Except for a small growth in private sector, the scenario is discouraging. According to NSSO Rounds, unemployment rates have gone up during the period 1994-2005. Though government has claimed large employment creation, it appears to be in the informal sector where quality of employment is poor.

While the sustainability of the economy has been expanding, after the economic reforms in 1991, it has been in favour of better off sections as indicated by the large production of FMCG (fast moving consumer goods) goods and elite consumption. As far as social justice is concerned, there has been a strong criticism, appearing justified, that growth and development has not been inclusive. A number of studies on the position of the backward classes over a period of time show that these communities have not improved significantly, especially in rural backward areas. Substantial attention needs to be paid to social justice aspect of development in the future.

15.7 FUTURE PERSPECTIVES

The goals of sustainable economy and social justice can be and should be effectively harmonised in any economy. Sustainable economy has to be one that sustains the welfare of the people without any discrimination and adjusts to the environment and ecology. In the present study the emphasis has been on sustainable economy and social justice. Here the concept of social justice is fairness to all, support to the weak, and service to the disadvantaged as Gandhi would have liked.

Gandhi was distressed by the absence of social justice on the one hand and craving for the riches, on the other. "Let no one try to justify the glaring difference between the classes and the masses, the prince and the pauper, by saying that the former need more. That will be idle sophistry and a travesty of my argument...The contrast between the rich and the poor today is a painful sight."(The Mind of Mahatma Gandhi, p.267). Sustainable economy will have no meaning and value, without social justice in the society.

At present India is also one of the fastest growing economies in the world. According to a study by Uri Dadush and Bennet Stancil for Carnegie Endowment (Free Press Journal, 22-11-2009), India will become the third largest economy in the world and in spite of its growing

population which will make India the world's most populous country in 2031, India's GDP will reach to \$17.8 trillion US dollars, sixteen times its current GDP of \$1.1 trillion US dollar. Thus there seems to be no question of Indian economy's rising sustainability in the future. The Indian leaders should make sure that the growing economy does not miss the goal of social justice to become weaker because of the craze of consumerism and luxurious living.

The government and Planning Commission have expressed their clear preference to social justice by mentioning in both Tenth and Eleventh Plans that their goal will be 'growth with social inclusion' where weak and poor will be taken care of and they will be able to participate and contribute to development.

In the future, government, business, and the civil society must manage environment and ecology in a way that sustains the economy and at the same time promote social justice. According to Prof. C.K.Prahalad of the Michigan University, "if you look at the water shortage, high commodity prices and certainly global warming, the need for sustainable development is obvious" (Economic Times, 20-11-09). Food security for all, in quantity and minimum needed quality, must be ensured, which calls for priority for adequate food production. Conservation and optimum use of resources like water and land is going to be crucial, while managing environment and ecology, needs of people traditionally dependent on these, like tribals and the displaced people.

International cooperation is highly essential to make the economies over the globe more sustainable and socially more responsive. Cooperation in food production can be achieved wherein countries producing more food can share their surplus with the developing poor countries rather than diverting them to bio-fuel production. It is a welcome sign that organisations like the World Bank and the WTO are coming together to help the poor in the interest of social justice.

India should take the lead in promoting social justice and sustainability by encouraging innovation and entrepreneurship that benefit the poor and where poor can also participate. The World Bank feels that this is possible and must be attempted. Inclusive innovation is knowledge creation and adoption activities most relevant to the needs of the poor (Dutz A. Mark, World Bank, 2007). ITC's e-choupal, Mumbai Dabbawala's efficient distribution of food boxes, use of mobiles by Kerala fishermen for selling fish are some of the examples quoted in the book of Dutz. Such innovations not only benefit the poor but also improve the sustainability of the economy. This would enable us to create a more egalitarian, contended, and peace-promoting society that will be cherished in a Gandhian system.

15.8 SUMMARY

Sustainable economy and social justice are related concepts. Sustainable economy is necessary to generate resources for social justice. Social justice, when achieved, raises the national efficiency, and the poor and disadvantaged are enabled to contribute to developmental activity. Sustainability covers survival needs of the present generation, environment and biodiversity, equity that takes care of the future generation also, and life quality. India has tried to create a significant sustainability in the economy over the six decades. Though the Government attempted social justice through appropriate policies of taxation, public expenditure and programmes to help the disadvantaged and the poor, social justice could not be claimed to have been achieved totally and the conditions of poor has not improved as needed. India can be expected to improve its economy's sustainability in the future and it is forecast that it will be the world's third largest economy by 2050. Obviously the economy will become strong and highly sustainable. But social justice will continue to need the government's intervention.

International organisations like the World Bank and WTO can also play a supportive role to promote social justice. Thus sustainable economy and social justice can be balanced and achieved.

15.9 TERMINAL QUESTIONS

1. What is sustainable economy? What is its significance for social justice?
2. What is 'social justice'? What is its importance?
3. Discuss the measures taken by government to promote economic sustainability and social justice after independence.
4. Briefly attempt to provide some future perspectives in the area of sustainability of the economy and social justice in India.

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