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Much Remains to be Done



CENTRE FOR POLICY STUDIES CHENNAI

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Bureaucracy constrains the Enterprise

Since Independence, several towns of India have developed into centres of intense and highly successful industrial activity through family and community based enterprise. People of India everywhere else have been trying their best to emulate them and create opportunities for the expression of their entrepreneurial and industrial skills. Yet the success stories have remained limited to a few towns; and even in the most successful of these the young people find their efforts to grow, to rise to the world-level in technology and scale, and to take on the world as equals, constrained in various ways. The most irritating and debilitating

constraints are offered by the bureaucratic structures of India. The British had designed these structures to curb the initiative of the Indian people at every level. We have continued with these. A small-scale industrialist of Tamil Nadu estimates that his colleagues have to bear meddling by 43 different inspectors, have to maintain 165 kinds of registers and forms, and obtain approvals from 22 statutory authorities. On the other hand, the fireworks manufacturer of Sivakasi who visited China found that to set up and run a fireworks factory a local entrepreneur there needed a single-point clearance from the local police.



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Our Metropolitan Elite Remains Hostile

The English educated metropolitan elite thinks of the town based entrepreneurs, anchored in their families and communities, as obstacles in progress. Instead of using their modern knowledge and resources to help upgrade the technological competence of these enterprises, they either ignore them altogether or put all kinds of hurdles in their way.

Making fireworks is a highly skilful enterprise, requiring specialised technical and scientific knowledge. To help fireworks entrepreneurs upgrade their knowledge and skill, Beijing University runs courses in pyrotechnics. The elite of India, on the other hand, has been looking for ways of reversing the success story of Sivakasi fireworks manufacturers. Members of the metropolitan elite

have been for years running a concerted campaign against the Sivakasi fireworks industry, alleging that it thrives on child labour. And now when the Sivakasi manufacturers have conclusively proved that no children are employed in their units, the same elite has begun a new campaign directed against fireworks as such, claiming that bursting of crackers on just one day of the year to celebrate the greatest festival of India constitutes a great environmental hazard.

The metropolitan elite of India, instead of becoming a partner in the *swadeshi* enterprise based in the families and the communities, has positioned itself as an adversary of *swadeshi*. And that perhaps is the greatest constraint on the growth of Indian industry and economy.



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Globalisation Poses New Threats

The *swadeshi* entrepreneurs of India were working in difficult conditions, somehow building success against all odds posed by the meddling bureaucracy and the hostile city-based elite. The unthinking globalisation of the economy has brought them face to face with new dangers.

Entrepreneurs everywhere in India are looking towards the future with concern. Those in Tiruppur say that till now they have been ploughing back every rupee of their profits into the expansion and upgradation of their enterprise. But, for the last year or so, they have been wondering whether, with the new global trade regime in textiles looming on the horizon, it would be wise to invest further. The Sivakasi fireworks manufacturers are worried about the Chinese competition not only in the international but also in

the Indian market. Similar fears are being expressed by all kinds of entrepreneurs everywhere.

The Indian State and the Indian elite have forced the *swadeshi* enterprise into global competition without offering the kind of help and support other countries offer their entrepreneurs. Other countries aggressively protect their entrepreneurs against the negative effects of global trade. Since the coming into force of the new global trade regime, the USA and the European Union have imposed anti-dumping measures in hundreds of instances. But we hardly take notice when the whole industrial enterprise of towns and regions comes under threat of extinction.

Such callousness and neglect threaten to prematurely abort the great Indian revival that began with Independence.

