

Strategy of Economic Development

J. J. Anjaria

R. R. KALE MEMORIAL LECTURE, 1969

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STRATEGY OF ECONOMIC DEVELOPMENT

I AM grateful for the honour you have done me by inviting me to deliver the R. R. Kale Memorial lecture this year. An invitation from the Gokhale Institute is a call to duty which one accepts with pleasure. Jawaharlal Nehru talked about the new places of pilgrimage in post-Independence India: the multi-purpose projects, the new steel mills and the numerous other developmental schemes that express the aspiration, the endeavour and the creativity of the nation. For economists, the Gokhale Institute, which has done so much in the field of economic research over the last 3 or 4 decades, is certainly a place of pilgrimage. It is only fitting that we should pay homage to the founder of the Institute on occasions like this. The donation he made to the Institute must, I think, rank among the most productive and high-yielding varieties that we can think of in this country. That this is so is due, undoubtedly, to the single-minded devotion and leadership of Professor Gadgil who nurtured this Institute from the very start. I have no doubt his successors and colleagues will carry forward the great tradition.

The theme I have chosen for my talk this evening is: "Strategy of Economic Development". We are now in the process of launching out on the Fourth Five-Year Plan. There are sceptics and cynics all round, and one notices a certain 'coolness' to planning and the development effort itself in various quarters. This is unfortunate. While one has to recognise and, indeed, take careful note of the shortcomings and failures of the past as well as some of the disturbing extra-economic aspects of the present situation, it is, to my mind, more important than ever before to resume planned development at this stage. From this, there is just no escape. It is, therefore, useful and necessary to take stock of the development strategy as it has evolved and to adapt it, to the extent needed, to the emerging situation.

The Concept of "Strategy"

"Strategy" is an alluring word. It has a certain mystical ring about it since it suggests that there is some magic set of rules or principles, which if somehow discovered and applied can take the economy straight to its desired goals. Anyone who makes the slightest

attempt to assess contemporary experience with development soon realises that the search for simplicity in this field is futile and that there are, in fact, no universally applicable "keys to success". This is why one has to come back time and again to the question of the appropriate strategy for development for the period ahead.

The concept of strategy, as I view it, encompasses all the major decisions that go to make a development plan — or rather a series of development plans, or the plan-frame envisaged over a period. The object of the strategy is to transform the economy both in its functional and its structural aspects, and the problem is to define the orbit into which the economy is to be shot — and maintained — and the means and techniques of doing so. The major elements in strategy may perhaps be listed as follows:

(a) the size of the Plan, i.e., the total developmental outlays, public and private, that could be considered optimal;

(b) the pattern of investment, i.e., the allocation of investment resources as between the different sectors such as agriculture, industry, power, transport and social services and as between certain economic categories such as consumption goods, intermediate products, basic and heavy industry and the like;

(c) the techniques of resource mobilisation, i.e., mobilisation of public and private savings;

(d) the policy frame for the Plan, including the role of the market mechanism, the scope of controls and licensing, the broad tenor of fiscal and monetary policies and the policies designed for evolving and strengthening an institutional structure capable of giving fuller play to the productive resources being released as a result of the developmental process; and

(e) the extent of reliance on foreign aid.

That, you might say, is a formidable list. I agree it is. I know I am open to the charge that I am equating strategy to the whole process of plan-making. I am inclined to accept the charge. I am convinced that Plan strategy is not a set of gimmicks which can somehow be made to produce the desired results. The truth is just the opposite, namely, that one cannot get at anything like the strategy until one has taken a view successively and in a co-ordinated way of all the elements that I have just mentioned. May I also stress that the judgments one makes on these issues are not just economic assessments;

they necessarily involve an evaluation of the political and sociological capabilities and limitations of the community. This general background as well as the economic parameters keep continually changing. So, it follows that, while there can be a broad strategy for all the 15 or 20 or 25-year period one looks ahead to, the operative strategy has necessarily to relate to each Plan period and has to be adapted to its particular requirements, although on a basis that will make the linking of one Plan with another both possible and meaningful.

The First Plan : Pragmatism and Flexibility

The major point I wish to stress this evening is the essentially evolutionary character of developmental strategy, and the need, therefore, for flexibility and room for manoeuvre in any formulation of it that we adopt. Let me illustrate. There seems to be an impression, rather widely held, that the First Five-Year Plan had no strategy behind it and that it was no more than a putting together of the various developmental programmes that had been initiated earlier. I regard this as a bit of a misunderstanding of the First Five-Year Plan — and, by implication, of the process by which a correct strategy can be formulated. I might be a little biased, but I do wish to submit that a great deal of basic thinking was done in connection with the preparation of the First Plan and that at least some of the essentials of a developmental strategy were laid bare in that Plan perhaps more clearly and more meaningfully than in any subsequent Plans. First of all, the developmental process was viewed as a continuing and accelerating effort over a number of years. In that context, the need for raising the marginal rates of saving and investment above the prevalent average rates was adequately stressed. The major point of the developmental strategy then envisaged was the enlargement of public savings and the channelling of them directly into public investment. The significant premise involved here was that, while the process of diverting private savings into the public exchequer might present difficulties in the initial stages, which must be faced, each subsequent step would be comparatively easier if public surpluses themselves could be enlarged to an extent through restraints on public consumption, but mainly through the surpluses realised on the public investments undertaken.

It is also of some significance, especially in the light of subsequent experience that during the formative stages of the First Plan, I do not recall any instance, either on the part of the Planning Commission or of the Ministry of Finance, of wanting to rely on the easy technique of deficit financing. Nor was foreign aid viewed as a significant element in the furtherance of the development process at that stage. If some of the projections showing the needed step-ups in saving over the successive plan periods look unrealistic today, the fault, surely, does not lie with the logic underlying those projections! The memories of war-time inflation and the upsurge in prices after the decontrol of 1948 were too fresh in the public mind, and the planning authorities, I must record, were absolutely keen on producing a Plan that would not only be sound in itself but would pave the way for more ambitious planning and for more rapid strides in development at the next stage within an environment of price stability. That, I should submit, was good strategy for that plan period, and, I would add, any other course of action or layout of strategy would probably have done more harm than good. It has also to be borne in mind that, while the outlay envisaged for the public sector initially was not large, the Planning Commission was ready to enlarge the Plan — and it did actually enlarge it — when, about mid-way in the Plan, it became clear that the economy was sagging. That is probably a better technique than mid-term reappraisals and the embarrassing search for the hard core when one runs into difficulties. It is not even true that the industrial component of the First Plan was negligible. After all, the expansion plans of TISCO, IISCO and the Mysore Iron Works were included in the Plan and the anxiety of the authorities to push ahead with industrialisation as soon as circumstances permitted was seen in the fact that in 1955 it was decided to initiate action on the commencement of three public sector iron and steel projects. Similarly, it was in this period that a beginning was made with the atomic energy programme and the various national research institutes.

Finally, in this context, it is of interest to note that on the issue of controls, especially the arrangements for procurement and distribution of foodgrains, the Planning Commission was continually on the side of further strengthening rather than of decontrol. When food prices fell sharply midway in the plan period, the Planning Commis-

sion's view always was that this was an indication that the investment levels in the economy needed raising; that a good plan must always stretch the existing resources to the full; and that, therefore, the answer to apparent plenitude was a step-up in plan expenditure rather than a dismantling of the machinery of controls.

The Second Plan : 'The Big Push'

The decisive shift in emphasis towards rapid industrialisation with special stress on basic industries, including industries "to make machines to make machines", was adopted as part of the new approach to the Second Plan. The fact that Professor Mahalanobis used in this context the concept of "physical planning" has perhaps not helped an unbiased assessment of the implications of the new strategy that was formulated. In some quarters, physical planning was interpreted to mean deployment of resources to the desired uses by direct physical allocations and controls rather than through the use of fiscal or monetary incentives. Actually, there was, in the Indian context, no question of any such authoritarian approach being adopted. As the "Tentative Framework" produced by the Economic Division of the Ministry of Finance (in consultation with the Economic Division, Planning Commission, the C.S.O. and the I.S.I.) pointed out, a bolder approach to the Second Plan was "both feasible and desirable", and the question was what pattern of resource allocation and of policy-mix would secure this result, taking duly into account the adoption by Parliament in December 1954 of the socialist pattern of society as the objective of national planning. The first step in this process was the amendment of the old Industrial Policy Resolution. The new Resolution laid primary responsibility on the public sector for the development of heavy and machine-building industries. In the debate on the Second Plan, there was, as one expects, some unnecessary controversy and some strange mixing up of issues. The new terminology was plain anathema to some critics; some others imported political or ideological nuances into it. The fact, however, is that economic opinion in the country was decidedly in favour of the basic shift proposed. The "Tentative Framework" observed that it was "not an uneconomical proposition to give priority to the development of heavy industries and to try and reverse the historical process (namely, consumer goods indus-

tries coming first and heavy capital goods industries much later) *within limits*". (Italics ours). The Memorandum by the Panel of Economists appointed by the Planning Commission had also, it will be remembered, no serious quarrel with the size or the structure of the second Plan as then proposed; its concern was mainly in respect of the articulation of economic policies that would provide an adequate underpinning for the new strategy. It must also not be forgotten that Professor Mahalanobis himself never regarded physical planning as an alternative to financial planning. The Plan-frame, in fact, expressly characterised physical and financial planning as "different aspects of the same reality".

Without going through the whole gamut of issues I listed earlier as essential elements in strategy, one could say that, while the Second Plan was *ab initio* a little too large in terms of the resources that could be mobilised in non-inflationary ways, the emphasis on rapid industrialisation and on basic and heavy capital goods industries was not in itself wrong or unwarranted. A push of that kind is essential at a certain stage in developmental planning. The way the Indian industrial structure has expanded and strengthened over the last 15 years or so, both in the public and in the private sectors, is testimony to the essential soundness of this part of the strategy.

Commenting on another aspect of the Indian economy, namely, agriculture and rural development, an American Professor at the Cornell University has, in a recent book, characterised the First Plan as a temporary triumph for the politicians but a disaster for the planners. This is strong phraseology and deserves at least a brief comment. Professor Mellor's thesis appears to be that the adventitious increases in agricultural production that occurred in the First Plan period gave a wrong clue to the planners and led them to adopt the strategy of rapid industrial development to the detriment of agriculture and the rural sector. There is no denying the fact that the performance of Indian agriculture has been much below expectations, and that this has been the biggest single factor causing both inflationary pressures and balance of payments difficulties. It is, nevertheless, doubtful if this can be ascribed to any neglect of agriculture in the scheme of priorities. All one could say is that the requirements of a technological breakthrough in agriculture were not much appreciated until recently and that not enough was done

in the Second and Third Plans to ensure adequate supplies of the new inputs that could have hastened the process of technological change in this vital sector of the economy. The point, however, is that a lesser degree of emphasis on industrialisation would not, by itself, have done this trick. In Indian conditions, the constraints on the growth of the agricultural sector are not the same as those on the growth of the industrial sector, and it is certainly conceivable that the kind of breakthrough in agriculture, which has now commenced, would not have occurred but for the tremendous gains secured in the industrial sector over the last decade and a half.

The strategy of the Second Plan came under fire partly because of the serious balance of payments crisis that overtook the Indian economy soon after the commencement of the Second Plan. In the first two years of the Plan, namely, 1956-57 and 1957-58, India lost sterling balances to the tune of Rs. 500 crores, and it became necessary in that situation to undertake a vigorous and even frantic search for foreign aid from all over the world. One would not wish to oversimplify the causation of this foreign exchange crisis, but it is perhaps a fair judgment to say that the vast flood of imports that came into the country in the early stages of the Plan was not an inevitable concomitant of the Second Plan strategy as such. That, of course, does not mean that the projections of the import requirements given in the Plan were not an underestimate in themselves. Undoubtedly, they were. It is also probably legitimate to argue that the kind of domestic resource mobilisation effort envisaged in the Second Plan was beyond the capacity of the community to bear without an upsurge of inflation and that the Second Plan ought to have started with much larger figures on foreign aid requirements. Inflationary pressures, too, rose sharply in the early years of the Second Plan, and although a massive tax effort was put through, the Plan ended up with far greater deficit financing than was envisaged. It is true that certain types of imbalances, some even acute and agonising, are often an inevitable part of the process of moving an economy from a low equilibrium level to something more worthwhile. But that perhaps is a thought admissible only on different plane.

Anyway, on our definition of strategy as a combination of a number of related issues — and not just the pattern of investment allocations — it cannot be argued that the Second Plan strategy as

a whole was wholly sound or free from faults. Moreover, there were some aspects of that strategy which, it must be admitted, were not gone into with the care they reserved — the reliance, for instance, on traditional small-scale industries and handicrafts for meeting the enlarged consumption needs of the economy. The precise sentence expressing this approach in Professor Mahalanobis's Plan-frame runs as follows: "The basic strategy would be to increase purchasing power through investments in heavy industries in the public sector and through expenditure on health, education and social services; and to meet the increasing demand for consumer goods by a planned supply of such goods so that there would be no undesirable inflationary pressures." For one thing the most important of consumer goods in this country, namely, food, can come only from the agricultural sector, and there was as yet no established basis on which one could say confidently that the targets proposed in the Plan in this regard would materialise. As to other consumer goods, while handlooms have done well, the disappointing record of other industries can hardly be regarded as a surprise. While the attractiveness of "labour-intensive" techniques — which, in terms of the output realised are often capital-intensive — must necessarily be great in an economy with so much unemployment and under-employment and while one fully grants the need for regulating the pace of creation of new technological unemployment in the old traditional industries, the doctrine of reliance on traditional cottage or small industries to turn out the vast quantities and varieties of consumption goods needed in a developing economy cannot but produce disillusionment before long.

With these observations, we must now make a quick transition to the Third Plan. Well, by the time the Second Plan ended, agricultural output had picked up and the price situation had eased. The decade as a whole was one of quite rapid overall growth. In this situation, the question arose whether to make a basic change in strategy or to pursue further the course of development initiated in the Second Plan. This is where the doctrine of self-reliant growth came in, and a new element entered into strategy formulation, viz., heavy reliance on foreign aid for a limited period in order to shorten the total period of dependence on it. This is how the Third Plan came to be presented as "*the first phase*" (italics ours) of a decade or more

of intensive development leading to a self-reliant and self-generating economy". As we know to our cost, the tenability of the assumption of adequate or uninterrupted availability of foreign aid did not last even through this "first phase".

The Third Plan : Self-Sustaining Growth

Only a few words need be said about the strategy of the Third Plan. By and large, the approach and priorities of the Second Plan were continued. Greater stress was laid on achievement of food self-sufficiency and adequate production of agricultural raw materials, both for domestic consumption and for exports. But, the accent on heavy and machine-building industries was, if anything, greater than in the Second Plan in view of the stress on self-reliant and self-sustaining growth within a measurable period. The formulation of the Plan witnessed again the same kind of pulls and pressures as had occurred at the time of the formulation of the Second Plan. This time, the techniques employed for getting up a larger Plan size were more refined than in the past. Longer-term perspectives were brought in and the point stressed that, if the output targets of the Plan were accepted, the resources targets must go on the assumption that the targets of output would be fulfilled precisely as had been assumed in the Plan. Some of the statistical exercises presented in that context tended, one suspects, to be a bit too self-generating !

The Third Plan started off well, and there were hardly any inflationary pressures to speak of in the first two years. Thereafter came the two border conflicts and the two successive droughts, the net effect of which was the generation of serious inflationary pressures of the later Plan years and a major jolt to the planning process itself. A few other factors supervened and the Draft Outline of the Fourth Plan, published in August 1966, could not be proceeded with. A three-year interregnum followed and the question at this juncture is how best to pick up the threads once again and go forward. The draft of the Fourth Five-Year Plan 1969-74 is now before us and it is important to ask whether the strategy that it unravels is appropriate to the situation as we see it.

Strategy for the Fourth Plan

An answer to this question calls for (a) an overall assessment of Plan experience so far, and (b) an appraisal of the present economic

situation and its potentialities. I can attempt both these only very briefly. As to (a), the first point to note from plan experience is that there is really no great point now in spending too much time on the five-year total of Plan outlays. In the First Plan, the figure of public sector outlay first proposed was Rs. 2069 crores. The actual outlay turned out to be only a little lower — Rs. 1960 crores. In the Second Plan, after a great deal of tussle, the figure for public sector outlay was placed at Rs. 4800 crores. Actually, it turned out to be Rs. 4672 crores. In the Third Plan, the realised outlay for the public sector was Rs. 8630 crores as compared to the target of Rs. 7500 crores put out in the Plan document. Except in the First Plan, the actual outlays were lower than those anticipated because of the rise in prices meanwhile. The targets of investment in the private sector are, in any case, less precise and more variable. This is partly because of the lack of adequate data but partly because we operate, by and large, within the framework of a market economy. The practical conclusion of this line of thought is that, whether one regards the total investment outlay of Rs. 22,252 crores in the Draft Fourth Plan as a little too high or a little too low, the problem at this stage is to get on with the job rather than to spend more time on these totals in terms of the varying, forward estimates that could legitimately be made of the resources that might become available on different assumptions. The Planning Commission has taken the view that, on the basis of this investment, a growth rate of about 5.5 per cent per annum can be achieved. That is a good enough target, although, as the Draft Report has pointed out, the goal of realising the Third Plan target of per capita income for 1975-76 will recede by 3 or 4 years in view of the upsets that have already occurred.

Secondly, the experience of planning especially since 1962-63 has brought out fully the damage that inflation does to economic development by pulling resources away into directions other than those consistent with plan priorities. Looking ahead, one has to recognise that there is now far less 'tolerance' in the economy to inflationary pressures than could have been postulated at the commencement either of the Second or of the Third Plan. The general index of wholesale prices in 1965-66 was 32 per cent higher than in 1960-61. In 1966-67, it went up by 16 per cent and in 1967-68 it rose by another 11 per cent. Price rises of this order have necessitated far-reaching

adjustments in wages and salaries, and the sensitivity of the system to further upward pressures is quite high. No less serious than the domestic repercussions of inflation is its direct bearing on the desired high level of export performance during the Fourth Plan. While the devaluation of the rupee in 1966 has helped in creating a more stable climate for export growth, the comparative costs situation is one that needs careful watching. It follows that it would be risky at this juncture to countenance any financing techniques that might lead to a recrudescence of inflationary trends.

Thirdly, there has been considerable divergence between targeted and realised levels of output both in the Second and in the Third Plans. In many cases, the gestation periods have turned out to be longer than originally estimated. The practical import of this is that too much preoccupation with the pattern of investment within the given five-year period — and the attempt, therefore, to pack as much into it as possible — can distort the whole pattern unduly. When programmes are being made *de novo*, a range, spread over a reasonable period of time, both of investment and of output targets would be more meaningful than a single set of commencement and terminal dates. This could perhaps facilitate a better adjustment of fiscal and other policies to the emerging situation.

On (b), that is, the current economic situation, the major satisfactory features are the re-establishment of price stability, greatly improved performance on exports and the promising outlook for sustained increases in food production as a result of the spread of new production techniques supported by suitable extension of credit by the commercial and co-operative banks functioning in terms of the scheme of social control and the coordination of credit planning under the auspices of the National Credit Council. As to the price situation, while the record of the last 15 or 18 months is satisfactory, there is always some danger of sliding back (i) if there is too much deficit financing, and (ii) the monsoons do not behave. In fact, (i) is often an aspect of (ii), and the task of tying in fiscal decisions with the Plan outlay levels on the one hand and the vagaries of the monsoon on the other is a most difficult one. On exports, it is particularly important to ensure that the revival of domestic demand, as the Fourth Plan proceeds, does not distract attention from the need to continue with the export effort. On agricultural production, all one

need say is that the fullest attention will have to be paid throughout the Plan period to the problem of strengthening and spreading the use of better seeds, fertilisers, water and new techniques, and that this part of the strategy must be checked and rechecked periodically to ensure that the effort at the ground level does not flag.

Turning from these considerations to the Draft Report itself, the first point to note is that it will not do at this stage to think, in abstract terms, of an ideal investment pattern that would make the country self-reliant within a specified period of time. One has to take the most realistic estimate one can make of the net foreign aid that will be available and accommodate the scale and structure of investment within that figure. This is an additional constraint in the choice of strategy that was not yet clear when the earlier version of the Fourth Plan was worked out.

More concretely, on the pattern of investment in the public sector, the major desideratum at this stage is to complete the projects already in hand or approved and to get the maximum results out of them. There are, in addition, certain minimum new needs to be provided for, especially in relation to the targets of agricultural production and advance action on the Fifth Plan. Public sector investment has to be devoted to what the Planning Commission has called "the requirements by domestic production of a wide range of manufactures *which admit of economic production*" (italics ours), mainly fertilisers, petro-chemicals and certain items of machinery. In other words, there is not a great deal of variability or flexibility in the pattern at this stage. So far as the public sector is concerned, the Fourth Plan has to be a phase largely of consolidation rather than of any aggressive expansion. The urgent problem for that sector, as everyone recognises, is to secure adequate surpluses from the investments made. A major assumption of the whole planning approach adopted in this country since the very start is at stake here. For, if the public sector does not produce the surpluses expected, it cannot perform its function as leader and pace-setter. While these tasks are being attended to, it follows there is correspondingly greater need and scope for a large investment effort by the private sector.

If, then, it is agreed that the size of the Plan is about right and that the pattern of investment is not greatly variable, if further, the quantum of foreign aid is also quite limited, the crucial element in

strategy for the Fourth Plan is the policy-mix, that, is, fiscal policy, monetary policy, the policy of building up buffer stocks as a protective device against unforeseen fluctuations in agricultural output and the broad scheme of licensing and controls.

On the whole, there is no doubt that while the course of India's planning has not run smooth, and at times serious upsets have occurred, the economy has emerged the stronger in the process and is now well-poised for further development. It would be a tragedy if some of the uncertainties and difficulties that get so much talked about were to come in the way of the only rational course of action that is open, viz., to resume with determination the process of planned, orderly development.

To this end, the Fourth Plan, somewhat like the First, has to aim at the building up of confidence and the devising of economic policies that will (a) capitalize on the development impulses within the economy where they are strong, and (b) strengthen them where for various reasons they have somewhat weakened. To this end, the strategy, both on mobilisation of resources and on the relative roles of the public and private sectors for the next few years, has to be as flexible as possible with relatively greater stress on the quantum of development that can be secured than on its sectoral location as such. The broad content and direction of fiscal policies is implicit in the scheme of financing presented in the Draft Plan. Clearly, the task of raising resources of the order of Rs. 14,398 crores for the public sector is not an easy one, since the order of additional resources needed is around Rs. 2700 crores. No less important than the question of techniques for diverting private savings to the public exchequer is the question of raising the volume of aggregate savings. This has to go up from 8 per cent of national income to about 12 per cent by the end of the Plan period. One aspect of this problem is improvement in public savings themselves. But, the other aspect is the devising of incentives and opportunities for more private savings in the form of financial assets.

Monetary policy has, in the recent past, moved forward a great deal in the direction of liberalisation of credit for the priority sectors such as agriculture, food procurement, exports and small industries. That policy is calculated to cater to and strengthen the developmental impulses over wide areas of the economy to which reference was

made earlier. It is a happy augury that the reorientation of the banking system in terms of social control and the broad direction of credit planning under the auspices of the National Credit Council have come exactly at the time when the hitherto lagging sectors of the economy are showing signs of fresh creative activity. Deposit mobilisation in the rural areas and bringing them within the purview of the modern financial system is a highly significant aspect of the strategy of economic development at this stage. In the context of the Fourth Plan, this promotional role of credit policy has to be regarded as of the same importance as the other objective of keeping the economy on an even keel.

On the question of controls and licensing, the Fourth Plan has favoured a policy of keeping them to the minimum and of simplifying procedures. While, in principle, a licensing policy is a necessary part of the co-ordinated advance of investment in the public and private sectors, and should not readily be given up, the hard fact that administrative procedures act as a drag on the revival of investment activity on the needed scale has, in practice, to be recognised. Similarly, the farther we get away from the idea that planning necessarily involves the use of extensive and elaborate controls for all time to come, the better. The inevitable counterpart of this greater degree of freedom will be greater rigour in fiscal and monetary policies.

May I conclude with one general observation? The Indian economy today is, by no means, as underdeveloped as it is sometimes depicted. Its base is now quite wide and the structure well-differentiated. There are strong developmental impulses within it. It can, therefore, go forward rapidly. The test of a good strategy for development is how far it promotes economic prosperity without generating excessive tensions in the process. These tensions could arise from a markedly uneven distribution of the gains and sacrifices involved in economic development, as between different sections of the community and especially if the feeling grows that some classes and/or some areas are being left behind in the race. Special efforts to take care of these aspects are necessary. However, no plan can achieve all objectives at the same time. It follows that any strategy, however carefully drawn out, will work only so long as there is basic unity of purpose in the community and a broad, working consensus on the

approach to vital economic and social issues. Speaking of problems in this range, the First Plan spoke of the following pre-requisites of a successful plan strategy:

“(a) a large measure of agreement in the community as to the ends of policy;

(b) effective power based on the active co-operation of citizens in the hands of the State, and earnest and determined exercise of that power in furtherance of these needs; and

(c) an efficient administrative set-up with personnel of requisite capacity and quality.”

Despite all the Plan experience that we have had, I think it is difficult to improve upon this categorisation.

R. B. R. R. KALE MEMORIAL LECTURES

<i>Lecturer</i>	<i>Subject</i>	<i>Year</i>
1. V. G. KALE	<i>Modern Tendencies in Economic Thought and Policy*</i>	1937
2. G. S. GHURYE	<i>The Social Process†</i>	1938
3. B. R. AMBEDKAR	<i>Federation Versus Freedom†</i>	1939
4. K. T. SHAH	<i>The Constituent Assembly*</i>	1940
5. A. V. THAKKAR	<i>The Problem of the Aborigines in India†</i>	1941
6. V. L. MEHTA	<i>A Plea for Planning in Co-operation†</i>	1942
7. S. G. VAZE	<i>The Formation of Federations; Rs. 1.50</i>	1943
8. JOHN MATHAI	<i>Economic Policy*</i>	1944
9. S. R. DESHPANDE	<i>A Statistical Approach to Vital Economic Problems*</i>	1945
10. J. V. JOSHI	<i>India's Sterling Balances*</i>	1946
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12. D. G. KARVE	<i>Public Administration in Democracy†</i>	1949
13. H. L. DEY	<i>Policy of Protection in India; Re. 1.00</i>	1950
14. M. VENKAT- RANGAIYA	<i>Competitive and Co-operative Trends in Federalism; Rs. 1.50</i>	1951
15. A. D. GORWALA	<i>The Role of the Administrator : Past, Present and Future; Rs. 2.00</i>	1952
16. LAXMANSHASTRI JOSHI	<i>Indian Nationalism*</i>	1953
17. W. R. NATU	<i>Public Administration and Economic Development†</i>	1954
18. P. C. MAHALANO- BIS	<i>Some Thoughts on Planning in India*</i>	1955
19. S. K. MURANJAN	<i>Reflections on Economic Growth & Progress; Re. 1.00†</i>	1956
20. B. K. MADAN	<i>Financing the Second Five Year Plan; Re. 1.00†</i>	1957
21. V. K. R. V. RAO	<i>Some Reflections on the Rate of Saving in a Developing Economy*</i>	1958
22. K. P. CHATTO- PADHYAY	<i>Some Approaches to Study of Social Change; Re. 1.00</i>	1959
23. B. VENKATAPPIAH	<i>The Role of the Reserve Bank of India in the Development of Credit Institutions; Re. 1.00</i>	1960
24. B. N. GANGULI	<i>Economic Integration : Regional, National and International; Re. 1.00</i>	1961
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