

# NOTES ON RURAL INDUSTRIALIZATION\*

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## 1. *Rural Industrialization*

THIS brief note pleads for the adoption of an entirely changed approach to the problem of Rural Industrialization. The current approach is the result of historical developments. Various Boards such as the Khadi, the Handicrafts, the Handloom etc., and other authorities have operated in this field for some years. The Rural Industrialization Committee was established chiefly to coordinate and unify the work of these various authorities. Therefore, the work of the Committee has been taken to be coterminous with that of these authorities and the approach of the Committee and its methods of work have also been appropriately determined. I consider this to be unsatisfactory.

I conceive rural industrialization to be one of the major economic and social objectives of the plan of economic development. Therefore, it can be achieved only if the entire development plan and, in particular, the entire plan of industrialization is framed so as to attain this objective. No substantial results can be achieved, in the short run, with the present approach and area of the efforts at rural industrialization; and, in the long run, present trends in policy relating to large industry will inevitably lead to a highly urbanized and capital intensive modern industry and a poor, non-industrial countryside. I assume that the objective of rural industrialization implies industrialization of the country as widely dispersed, at as small a scale, with as high an employment potential as is compatible with an efficient technique and the requirements of the process of development. Existing knowledge in regard to planning techniques indicates no easy or quick solutions of this problem. It has, therefore, to be approached tentatively and bit by bit.

Every decision made in relation to allocation of resources to large industry and to licensing of industrial establishments shapes, in part, the future pattern of industrialization of the country. The work of the Development Wing is an important factor in determining future arrangements and recently, policies regarding foreign collaboration

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