

## **Wage Inequality and Adverse Terms of Trade for Unorganised Sector: Dandekar's use of the Sraffa System**

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### **Introduction**

Dandekar was one of the most remarkable economists of post-independence India. He is well known for his pioneering studies in the measurement of poverty. He was a student of Prof. P.C. Mahalanobis and established systems of large-scale sample surveys simultaneously with Indian Statistical Institute (ISI) based National Sample Survey Office (NSSO). He had his own perspective about the role and designs of NSSO surveys which he later implemented with the re-organization of NSSO.

He was a keen scholar of rural life and agriculture in India. His views were largely shaped by the intimate knowledge of the rural economy. His views were in many ways, unorthodox and he was often previewed as an 'iconoclast' economist in policy making circles. His pioneering vision of employment and poverty led to the now-celebrated mass employment generation scheme (variously labeled as Employment Guarantee Scheme, Food for Work, Mahatma Gandhi National Rural Employment Guarantee MNREGS scheme, etc.)

He had very strong misgivings about traditional Marxian views of class structure in Indian economy. His views about the nature of class-conflict and 'share of economic surplus' led to his debates with Emmanuel and Bettelheim as well as several economists with Marxian persuasion.

It was during this debate that he employed Sraffa's formulation to elaborate his views about surplus-sharing in an economy characterized by wage-differentials and extreme diversity in 'capital per labour' (as well as consequent productivity) and market power of sector to command better relative prices.

Prof. V. M. Dandekar held a somewhat uncommon view about the nature of the Indian economy and its development process. He disagreed with the conventional Marxistan view of classes and class struggle and considered Marx's approach as therotically inadequate and empirically empty in the Indian context. He has often expressed his view of the Indian development process and