

4. TAMILNADU – A STATE OF SOCIAL CONTRADICTIONS

“State level Human Development Indices (HDIs) and Gender-related Development Indices (GDIs) are not very useful for specific policy formulations and programme implementation. Thus there was felt a need to generate a number of indicators for certain dimensions of human development so that each one of them could provide a complete set of information useful for targeting and programme implementation.”

- India Human Development Report, 1999

With all the successes cited in the previous chapter, Tamilnadu, when looked deeper and in a dis-aggregated manner, is surely a State of serious contradictions in the field of Social Development.

The main point of concern is the lopsided pattern of development in Tamilnadu over many decades. The growth of the tertiary sector has been phenomenal, at the expense of primary and secondary sectors

Over the years, the Tamilnadu economy has witnessed a relatively high level of diversification, accompanied by a relatively rapid move away from the primary sector and a process of commercialization and marketisation within the agrarian sector.

The main point of concern, of course, is the lopsided pattern of development in Tamilnadu over many decades. The growth of the tertiary sector has been phenomenal, at the expense of the primary and secondary sectors. While this has been touted as progress, the near-stagnation in the agriculture and many areas of industry sector has been at the root of the crucial and continuing problem of Tamilnadu.

SECTORAL SHARES IN STATE INCOME

	1970-71	1980-81	990-91	1996-97
Primary	34.79%	25.92%	23.42%	18.52%
Secondary	26.88%	33.49%	33.10%	32.57%
Tertiary	38.33%	40.59%	43.48%	48.91%

(The figures are from the "Tamilnadu – An Economic Appraisal 1996-97", published by the Evaluation and Applied Research Dept of GOTN. The "Ninth Five Year plan: Tamilnadu" document, published by the State Planning Commission, gives the sectoral shares in 1996-97 as 20.40%, 30.80% and 48.80% for the primary, secondary and tertiary sectors respectively)

In 1996-97, the percentage share of NSDP from agriculture in Tamilnadu was just 18.52% - the second lowest in the country, next only to Maharashtra (18.10%) – compared to the Indian average of 27.70%. The percentage share of NSDP from manufacturing in Tamilnadu was 32.57%, compared to the Indian average of 16.70%. Tamilnadu was 3rd behind Gujarat (27.10%) and Maharashtra (24.10%).

“The pattern of shift with `service sector’ enjoying a higher share could have been a welcome sign, had it been followed by healthy primary and secondary sectors...”

- Tamilnadu An Economic Appraisal 1996-97

The contradiction and the skewed nature of development become even more clear when we place the sectoral shares in NSDP side by side with sectoral shares in employment.

SECTORAL SHARES IN EMPLOYMENT

	1971	1981	1991
Primary	64.40%	63.60%	61.50%
Secondary	15.30%	17.30%	16.40%
Tertiary	20.30%	19.10%	22.10%

(Ninth Five Year Plan Tamilnadu : 1997-2002)

Indeed, as the above figures show, there have been very minimal changes in sectoral shares in employment generation over the past decades.

SHARES IN EMPLOYMENT & INCOME – COMPARISON (1991)

Sector	Employment Share	Income share
Primary	61.80%	21.80%
Secondary	16.20%	30.70%
Tertiary	22.00%	47.50%

(Ninth Five Year Plan Tamilnadu : 1997-2002)

The imbalance is obvious: the agricultural sector (on which, even now, more than 60% of total population depends and in which 59.4% of the total work force is involved) contributes least in terms of NSDP share, while the services sector, contributing maximum to NSDP, takes care of least amount of employment.

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And as the same Report insists, it is necessary for the State of Tamilnadu to re-establish the linkages between economic growth and improvements in human development. Conversion of incomes into human development is mediated, among other things, by the levels of public spending on social development, by efficiency improvements in the public provisioning of basic social services, and by better planning and policy formulation.

For a State, which still remains predominantly rural, all the exaggerated hype about Information technology and the undue stress on the Service sector and big industries, with the accompanying neglect of agriculture and labour-intensive industries, is sure to play havoc. The areas of concern have been declining gross cultivable area and massive diversion of cultivable lands for non-agricultural activities.

The Harvard Institute for International Development, in its "Geography and Agricultural Productivity in India - Implications for Tamilnadu" Report, has put the reason for Tamilnadu's failure as 'volatile growth rates' in foodgrain yields and the "declining growth rates in yield" in its principal rice crop since the mid-1980s. While stressing that 'a productive agricultural sector was necessary for further growth in other sectors, particularly with high rural poverty rates', it has made the following observations:

- Though during the 1980s, Tamilnadu comprised the third largest share of national value of agricultural output at 9.5% after Uttar Pradesh and Madhya Pradesh, the contribution of agriculture to NSDP declined faster in Tamilnadu than in India. It dropped from 52% in 1960 to 40% in 1982, as compared to 49% to 40% over the same period in India.
- During the 1980s, Tamilnadu's area under rice cultivation declined by almost 10% to 2228.5 hectares in 1994. Yield and production levels have been positive since the 1980s, but the growth rates in yields are decreasing.

- Tamilnadu has the lowest levels of expenditure on agricultural research among the Southern States. There is a need to push for more ICAS resources among others.

“This vast spread between the share of income and employment should be narrowed to reduce heavy dependence on agriculture for livelihood and prevalence of high rate of unemployment and poverty”

– Tamilnadu- An Economic Appraisal 1996-97”

Such imbalances hide the major point of concern with regard to Tamilnadu: a large section of the population has consistently been and is being left out of benefiting from whatever development, economic or social, that the State has achieved.

This again explains the two striking features about Tamilnadu’s record in Social Development, so clearly articulated by UNICEF:

“ The State has not been able to consistently traslate its record of economic growth into sustained improvements in the quality of peoples’ lives.

Another striking feature is the large gap that persists between the State’s commitments and actual achievements. And most of the goals for the year 2000 remain unattained.”

-“Tamilnadu Social Sector Priorities and Strategies”, UNICEF, September 2000

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References:

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UNICEF, Chennai, September 2000
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