

The Development of the Rural Productive Forces*

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The central economic question in our country today is the development of the rural productive forces. By 'productive forces' are meant the instruments and technology of production, and the skills and productivity of labour.

Why rural? Why not urban, or both urban and rural? Firstly, the development of the urban productive forces is helplessly dependent on foreign equipment, technology, inputs and expertise. With the limits to industrial import substitution being rapidly reached, it is also becoming increasingly contingent on the availability of foreign markets. Hence, in the context of a severe foreign exchange shortage, the urban economy, far from expanding, is being forced to contract. The only growth possible for the urban economy, in such a situation, is as a satellite of foreign capital. It is doubtful whether even this road is open to it, since foreign capital is now extremely sensitive to the mood of a country, and most fastidious in its selection of those on whom it will confer satellite status. Secondly, the general level of urban technology and expertise available within the country, though comparatively low by foreign standards, and hopelessly inadequate for any independent and self-generating development of the urban productive forces, is infinitely higher than the technological level of the rural areas of the country, and is capable of developing rapidly the rural productive forces, with the minimum recourse to foreign exchange. Thirdly, it is significant that, while import substitution possibilities in industry are almost reaching exhaustion, import substitution in the non-industrial sector yet remains a wide open field. Food and agricultural raw materials still account for almost half our annual import bill. Thus, it is only a decisive breakthrough in the rural sector that can crack open the foreign exchange problem which confronts us at every turn today.

It is therefore abundantly clear that both the opportunity and the means for the swift development of the productive forces exist in the rural, but not in the urban sector. Besides, the tempo of development of the rural economy is conditional on the massive diversion to it of resources, technology and skilled personnel, from the urban economy. This, if nothing else, rules out the possibility of the simultaneous development of both rural and urban productive forces. On the contrary, it indicates that the development of the rural economy necessarily implies, in our present circumstances, the contraction of some bloated areas of the urban economy. We have apparently taken a wrong turning

which has led us to a blind-alley. Should we not even now retrace our steps, rather than stubbornly continue to knock our heads against an unyielding wall? This is a hard decision for urban policymakers to take. It may be softened by the awareness that the decline of the urban economy has already set in, and that there is very little anyone can do about it other than prolonging the end by injecting successively heavier doses of foreign aid sedatives. The danger is that the crisis, when it comes, will find us totally unprepared unless we resolutely turn back now and take the alternative road without delay. If there is still a doubt as to whether there is, in fact, another road, let us reflect awhile on the experience of North Vietnam, which fell back on the tremendous reserves of strength available in the countryside to fight a protracted war when American bombs threatened to disrupt its city life.

The deployment, on an immense scale, of resources, technology, skills and expertise, from the urban to the rural sector, is a necessary but not a sufficient condition for the development of the rural productive forces. Equally necessary is a transformation of the economic relations within the framework of which these productive forces operate. The basic cause of rural economic backwardness is that these economic relations have become a fetter impeding the growth of the rural productive forces. They must accordingly be changed into relations which are conducive to and foster growth.

What are these economic relations which obstruct the growth of the rural productive forces, and which must therefore be changed? They are:

- (1) the relations between the rural economy and the urban economy, and
- (2) the relations within the rural economy itself.

The present rural-urban economic relations are based on the exploitation of the countryside by the town. By 'exploitation' is meant the appropriation of the rural economic surplus by the urban economy. This exploitation takes many forms. The most vicious method by which the town plunders the village is through trade. The unconscionably high profits appropriated by the urban traders in rural produce are well known, but the extent of exploitation that takes place through the terms of trade (i.e. the price relationship) between rural and urban commodities is not so fully appreciated. To cite a few striking instances: * A bushel of paddy gives the farmer an income of Rs. 18/-, while a cotton

* Refers to prices current in 1973

shirt is also priced at about the same level. A pint of milk earns the dairyman 40 cents, while a bottle of aerated water costs him 50 cents, and a throw-away ballpoint pen is the equivalent of Rs. 1.25. The rural surplus is also pilfered by the cities through the provision of finance at exorbitant rates of interest. Often, the financier is also a trader, and the loan and interest are recovered through excessive trading profits. The urban transport contractor, too, takes his share of the spoils, and absentee landlordism is still another method of siphoning the rural surplus to the towns.

It is interesting to observe that the exploitation of the rural economy by the urban, takes practically the same forms as the exploitation of the urban economy, in turn by the imperialist economies of the developed countries. In both cases, the economic surplus is appropriated through the terms of trade, transport, finance and property ownership. The rural-urban relationship is a mirror image of the urban-foreign relationship, even faithfully copying a phenomenon such as the brain drain. Further, by being a satellite of the urban economy, which is itself exploited by foreign economies, the rural economy, in spite of its apparent isolation, is drawn into the mainstream of world capitalist domination and exploitation. Our rural economy, therefore, is a doubly exploited one.

The State, it is true, has attempted to redress the balance somewhat, through institutional and other devices. It has promoted the growth of consumer and, to a lesser extent, service co-operatives. It has sponsored co-operative and rural banking. It has carried out measures of land reform. It has instituted State Marketing schemes, and has guaranteed the prices of certain agricultural commodities. It has established a network of extension and advisory services. It has subsidised fertilizer inputs for some crops. It is also attempting to channel funds to the rural areas through District Development Councils and decentralized budgeting. The measures appear quite impressive, but the results are not. This is because these efforts have not even touched the heart of the rural-urban conflict, nor transformed the economic relations within the rural economy, which are the twin fetters imprisoning the rural productive forces. These measures, taken by them selves, are as reformist and ineffective as the attempts to solve the basic capital-labour contradiction through labour laws, profit sharing, diffusion of shares and Workers' Councils, or the basic imperial-colonial contradiction through economic co-operation, commodity agreements, financial aid and international currency manipulations.

The essence of the rural-urban contradiction is the domination of the rural economy by the urban economy. In Nature as well as in Society, two mutually contradictory entities (or aspects) coexist as a unity, because they are also mutually interdependent; but they never coexist as equal partners. One is dominant, the other subordinate. The character of any phenomenon is essentially determined by the dominant aspect of the contradiction within it. Whatever the changes that may

take place in the mutual relations between the two aspects, so long as the dominant aspect retains its position of dominance, the character of the phenomenon remains basically unchanged. The phenomenon changes into something essentially and qualitatively different, as opposed to mere quantitative changes, only when the dominant aspect becomes subordinate and the subordinate aspect becomes dominant. Hence, if the rural-urban relationship, which is one of both mutual interdependence and conflict, is to be qualitatively changed, the rural economy must become dominant and the urban economy subordinate. In our present situation, this is the only way of releasing our rural productive forces from the chains that restrain them. Anything short of this is only a palliative, and will not result in a fundamental transformation of the rural economy.

In countries where the urban economy has an independent momentum of its own and can carry the rural economy along with it, though as a subordinate subject to its exploitation, such a fundamental transformation of the rural-urban relationship may not be necessary. But in countries such as ours, where the urban economy is not self-generative, and is incapable of further growth without large doses of foreign technology, equipment, inputs and skills for which it does not have the means to pay, it is fast becoming inert and totally parasitic. It must therefore be made subordinate, if the country is to survive and not be dragged down with it.

What does subordinating the urban economy to the rural mean in practice? It means a complete reversal of Government priorities, policies, attitudes and thinking, in respect of investment, research and technological innovation, deployment of skilled personnel, internal marketing and the terms of trade, housing, transport, education, health administration and cultural activities. It means that the Government must organize a tremendous shift of resources to the rural economy, at the expense of the urban economy. The only resources that should be allocated to the urban economy are those that would serve the development of the rural productive forces. The urban economy must be reduced to the status of a satellite, the direction and pace of growth of which is solely determined by the development needs of the rural economy.

In the field of investment, the Government should give a very high priority to rural electrification, which is the power base for the development of the rural productive forces. The essence of rural electrification is the supply of cheap power to the rural economy; and our methods of generation, transmission, distribution and protection will have to be changed so as to make them as inexpensive as possible. The ancillary electrical equipment industries for the production of transformers, motors, meters, insulators, circuit breakers, etc., must be established and located, wherever possible, either wholly or in part in the rural areas. Along with rural electrification, the other investment priorities are agriculture, the manufacture of agricultural implements

and agro-based rural industry. The provision of irrigation and drainage facilities to existing cultivable land by the restoration of village tanks and the draining of swamps and marshes, must take precedence over the opening up of new land under costly irrigation schemes which have a long gestation period. Investment should also be directed to the manufacture of basic agricultural implements and unsophisticated equipment for agro-based rural industries such as food preservation and processing, sugar and paper manufacture, power loom textile weaving, timber impregnation and wood-working, distillation of essential oils and utilization of waste materials like coconut shells, coir dust, saw dust and organic refuse. The next in order of investment priorities are the regeneration of the rural fishing, boat building and ceramic industries, and the provision of stud bulls and insemination facilities for the upgrading of the local cattle.

It would be observed that in this scheme of investment priorities, there is hardly any place for capital intensive industries based on imported equipment and materials, for export-oriented industries also dependent on foreign machinery and subject to the mercy of capricious foreign markets, or for the assembly industries which import the major part of their finished product. In fact, this assembly type of industry is already on the way out, due to drastic reductions in exchange quotas. It is only a matter of time before every industry which is mainly dependent on foreign inputs begins to reel before the full blast of the gathering foreign exchange storm. It is therefore imperative that the Government immediately switches its investment priorities and concentrates all its resources on developing the rural productive forces. This is the only way of cushioning the impact of the mass retrenchment of urban workers, and the other consequential effects of the disintegration of the urban economy which is imminent.

In keeping with this overall strategy, the Government must change the priorities, content, methods and attitudes in respect of research and technological innovations. All the available skills and knowledge in these fields must be harnessed and purposefully directed towards the objective of initiating a technological revolution in the countryside. Research scientists, engineers, technicians and other skilled workers must be made to leave their laboratories, office desks, conference tables and relatively comfortable urban life, and to live and work among the rural people, educating them and at the same time learning from them. Agricultural experimentation must be done in the cultivator's field and technical improvisation in the village smithy with the full and intelligent participation of the rural people. The village must be shaken out of its torpor, and turned into a hive of lively discussion, creative thinking, technical innovation and productive activity, by a well planned and organized invasion of skilled and knowledgeable town folk who are anxious to teach and learn in a spirit of humility, seeking, as it were, atonement for their primordial sin of parasitic existence, and

intellectually rejuvenated by their deliverance from the soul-sapping, de-humanizing, urban rat-race.

In the sphere of internal marketing, the exploitation of the rural economy by the urban middlemen must be completely eliminated by the establishment of a widespread network of co-operative marketing and credit institutions, reaching out into every neck and corner of the country. Here, too, the magnitude of the task and its urgency is such that it cannot be left in the hands of a few Co-operative Inspectors, as has been done hitherto. The best organization, managerial and accounting skills available in the urban economy, both in the Public and Private sectors, must be withdrawn and utilized by the Government for this purpose. We again come back to the basic theme: that subordinating the urban to the rural economy means that the cream of urban talent, which incidentally is grossly under-utilized today, must be thrown into a frontal attack on rural economic backwardness. A prime responsibility of the Planning Authority is to plan, organize and direct this entire campaign.

The domination of the town by the village, however, means more than this. It means that the rural producer must have preference over the urban consumer, and the rural consumer preference over the urban producer. Hence the terms of trade (i.e. the price relationship) between rural and urban commodities must be significantly changed in favour of the former. The consequence of this will be a lowering of the standards of living of every section of the urban community. This must be accepted as the necessary concomitant to the raising of rural standards of living. The notion of simultaneously raising both rural and urban living standards is, in our present context, only a convenient myth which helps helps to salve a troubled urban conscience.

The utilization of resources for urban housing and transport must be stopped. The urban economy, by itself, is incapable of solving either its housing problem or its transport problem, the solution to which lies in the rapid growth of the rural economy, leading to a complete reversal of the direction of migration. Any expenditure on urban housing and transport, at this juncture, is a misdirection of resources. The cities will have to live with their slums and shanties until the manpower requirements of a buoyant rural economy relieve the pressure on urban housing. For many years to come, they will also have to suffer their belching buses, decrepit cars and pot-holed roads. The linking up of the rural economy through roads and canals must take precedence over the widening, macadamizing and carpeting of the urban highways. The movement of rural produce must have priority over the movement of urban people. Existing priorities in education and health services too, must be inverted. Rural schools and hospitals must be properly staffed and equipped, and this again has obviously to be at the expense of the urban facilities. Teachers and doctors must be included in

in the organized movement of skilled personnel to the rural areas.

A development strategy based on the rural economy being the dominant partner necessarily implies a far-reaching decentralization of administration and decision-making. The parasitic bureaucratic apparatus, which annually swallows up half the Government revenue and still finds its appetite unsatiated, must be dismantled. The hordes of file carriers, pen pushers, report writers, precedence addicts and conference flitters, who are today a terrible burden on the country's economy, must be shifted to more productive pursuits. Urging them to work a full eight hour day is beside the point; for, even if they were to 'work' sixteen hours a day, they would still be incapable of producing anything useful, while the cost of keeping them at their desks, in terms of the paper, filing cabinets, typewriters and electric power consumed, would increase considerably. It is ironical, but probably true, that the less the bureaucracy 'works', the less of a weight it is on the national economy.

All this must be done and still more, if we are intent on transforming the present rural-urban relationship. In the endeavour to make the village pulse with a new life, its cultural revival should not be overlooked. The traditional song and dance forms must be developed, and enriched with the new content of change and progress. A genuine national culture can never flourish in the arid wasteland of our urban cosmopolitanism. The lumpen language and culture of the cities must be dethroned from their positions of eminence, as part of the process of urban subordination. Every vestige of urban privilege in every sphere of life and thought, must be relentlessly unearthed and uprooted without compunction. This is the essential meaning of subordinating the urban economy to the rural.

What, then, is the future of our cities? Are they doomed to perpetual decline and eventual extinction? No. The urban-rural relationship is not only a mutually contradictory one but also one of mutual interdependence. The present relationship based on urban dominance

and exploitation is strangling the rural productive forces which if set free, have the potential for rapid and independent growth. Hence a qualitative, revolutionary change in this relationship is necessary. This can be achieved only by a total reversal of the dominant and subordinate roles. Once this conflict is resolved in this manner, and the dominance of the rural economy firmly established, mutual interdependence becomes the primary feature of the rural-urban relationship. As the rural economy takes off, it will lift the urban economy up with it, as a junior partner. Cities will once again grow, not as parasites living on the countryside and exploited in turn by foreign economies, but as useful satellites of the rural economy. This, however, will not be the end of the story. With the further development of the rural productive forces, economies of scale will become both necessary and possible. This will again require the concentration of industry, services and decision-making in urban centres. The decentralization inherent in the development of the rural economy may then come into conflict with the increasing need for centralization. Decentralism and centralism are not absolutes; the very decentralization which today is necessary to liberate the incarcerated rural productive forces, may eventually become a drag on the growth of the urban productive forces. 'Urban Centralization' could well be the heretical cry of a future economist. The movement of the urban-rural relationship may once again demand a reversal of the dominant and subordinate roles in that relationship. Their conflict will not end until the antitheses between town and country finally disappears as a result of their becoming indistinguishable from one another. But all this will be many, many, years in the future, and we are in danger of leaving the domain of the economic analyst and getting uncomfortably close to that of the soothsayer; for who knows, the future generations of our country may, in all their wisdom, turn their backs on the western heritage of unbridled urban industrialism, and deliberately spurn its material benefits in order to avoid its attendant evils. In that event, the urban-rural dialectic may unfold itself in our country in an historically unparalleled manner.