

Do FDI and Financial Development Act as Determinants of Economic Growth? Empirical Evidence from India and Pakistan

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Abstract:

India has become one of the fastest growing economies in the world and leading countries in the transformation of technology. In 1990s, India made a move towards globalisation and since then it has proved to work in favour of our economy. However, India has been ranked one of the lowest in the Human Development Index (HDI) rankings in the world. This means that there is a contraction of sorts in our development paradigm because the fruits of our development have not penetrated into our society, especially to the marginalised groups like Dalits and tribals. At a time when there are such debates and discussions, it is relevant to study the problem and prospects of tribal communities in India.

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India is a democratic and secular nation which is committed to the development and welfare of the tribal. Tribal population forms approximately 8.1 percent of the total population. A social group is usually recognized by a common territory, dialect and cultural homogeneity, social and political organization which may include several subgroups. A tribe is categorized as a Scheduled Tribe only when it is notified as one under Article 342 of the Constitution of India. Lesser communication in tribal areas, lack of proper drinking water, widespread illiteracy and inadequate medical facilities are some of the many prime issues affecting the development of these groups. Hence, tribal development efforts in India have been made since the colonial period and have been continuing since then.

During the British regime, the Government did not pay much attention to the tribes living in the interior forest areas. The British rulers enforced law and order with an iron hand. Their attitude towards the tribes was otherwise paternalistic and protective. Thus, a monetary economy was introduced among the tribal communities. After Indian independence, a number of policies and programmes were initiated in the tribal areas, which had far-reaching consequences. Beginning from National Forest Policy of 1952, the government began to discourage the shifting cultivation. In 1956, the shifting cultivation was restricted to certain hilly areas which were shacking the basic economic system of a large section of the tribal communities. In addition to this, the proposed multi-purpose projects have been contributing to the mess.

The main features of TSP fall within the state welfare and development plan of the tribes. This plan is part of the general plan of a state and, therefore, is called a sub plan. The benefits granted to the tribes and tribal areas of a TSP State are added to what is filtered out by the general plan of a state. The sub-segment identifies the resources for the TSP areas, prepares a broad policy framework for development and defines an appropriate administrative strategy for its implementation. After the introduction of the Subscriber area program during the subsequent Plans, the dependence of the various tribes on forest products collection and hunting diminishes enormously, while the decrease in hunting is the direct result of forestry policy. The decline in food collection is mainly due to the fact that several tribes now devote themselves entirely to modern cultivation. However, the impact of money wages and modern agricultural technology is negligible in the remote and inland tribal areas. The application of the existing legal and protective

measures has taken place together with the provisions set out in the fifth appendix to avoid the indebtedness of the tribes, forced labor and other forms of exploitation. Due to the numerous shortcomings, the draft national policy on the tribes should be replaced as soon as possible by an appropriate National Tribal Policy. During the preparation of an appropriate national policy, the tribal policy must be managed based on the consultations that have been carried out with so many organizations.

The success of the programmes pertaining to tribal development is limited in terms of accessibility. There are huge diversities among the tribal communities and regions, so, it is difficult to arrive at a single conclusion on different dimensions of tribal development. Therefore, there, are serious problems of (a) accessibility of different programmes to the tribals, (b) devolution of powers to the tribals in any real sense, and (c) nature and extent of tribal's participation in the development process. The statuses of tribals are varied due to geographical conditions, status of economy etc. This may require a situational approach if the Tribal Sub-Plan is to become a success.

Moreover, many of the major development plans do not have a clear mechanism for the allocation of ST funds. They do not have the required data on the percentage of ST among their beneficiaries. The funds allocated to ST are spent through "exclusive" schemes, where 100% of the disbursements are allocated to ST or through "general" schemes. The allocation of plans by different line departments destined for ST does not have enough space for the custom project according to its specific needs. Most programs are providing social services, focus less on entrepreneurship and skills development. General sector regimes (such as SSA, higher education systems, ICDS, NRHM and JNNURM) do not have much clarity in their rules and guidelines on specific ST provisions.

Development is a holistic concept that should encompass the progressive improvement in the quality of human life in terms of food, clothing and shelter and the conditions for a healthy living with increasing longevity of life and happiness. Development projects encompassing inclusive growth should always have concern for marginalized sections of society. The Liberalization, Privatization and Globalization (LPG) model of development has created a great rift between the mainstream population and marginalized section. On one hand, the multinational companies are

increasing their access to tribal land; on the other hand, indigenous tribal communities are getting evicted from their basic rights. It is leading to their continued poverty. Many of these tribal people are forced to gain status of wandering unemployed workers. It is the base of local resources on which the poor subsist and meet their food deficits. If land and other natural resources like water and forests that belong to the state or the local communities are acquired for industrial use or lost to development projects like river dams, the people who depend upon such resources become the direct and immediate victims of these projects (Meher, Rajkishor, 2009). Development based on high technology that minimizes the employment of human labour and puts a strain on natural resources does not serve the interests of the poor and marginalized sectors of the population.

For the development of India's poor and half-starved people it is necessary, to ensure food security for their healthy living. These people need the development of health care facilities, skill-based education as well as a sustainable food supply to improve their quality of life. These needs can be fulfilled by pursuing a sustainable development model that ensures 'growth with equity' and provides employment for all. It is an undeniable fact that there is a high pressure of increasing population on the land and that the surplus labour force is disguisedly employed in the primary sector economy with very marginal and low rate of returns. This surplus labour force needs to be employed in highly productive jobs in other sectors of the economy which requires the development of skills by imparting modern technical and scientific education to the illiterate and less educated people who are presently unemployed or underemployed. The present development model needs to be recast to make it all inclusive and consensual in order to bridge the development gap between the rich and poor and end the deprivation of the latter. As far as possible, development projects should be planned and designed so that they do this and they never force the involuntary displacement of the human population in any part of the globe – regardless of the caste, class or social status of the people involved. Also, when it is necessary to undertake development projects that involve the displacement of people, it is essential that these projects obtain the legal mandate and support of the people who are affected and that in return for giving up their land and homes they receive priority if not exclusive rights to the benefits emanating from these projects.

The socio-economic conditions of the indigenous peoples of India are not appreciable. Their living standards are still low. Furthermore, tribal development plans have not produced any change in

the lives of most tribal peoples. Inclusive growth is not making the fruits of development available and accessible to the tribal population of India. In conclusion, it can be summarized that "inclusion" should be seen as a process of inclusion of these sectors excluded from the population as agents whose participation is essential in the design of the development process and not simply the welfare objectives of the development schedule. Measures need to be taken to inform these people about development plans. At the same time, procedures to sanction schemes must be facilitated so that the total number of beneficiary households increases. Tribal problems are simple but very delicate to manage. No solution can be experienced before gaining the trust of the tribes. Modern culture should not be imposed on them. It is essential to establish a harmonious compatibility between the tribal way of life and the material progress of culture.

The integration of tribal society into Indian society takes time and should be promoted by keeping the good points of tribal culture. Only those elements of the new culture that can vitalize them for material progress must be infused into them. Pandit Nehru notes that "tribal peoples have a variety of culture and, in a sense, they are certainly not backward, it makes no sense to try to turn them into a second copy of ourselves". Regarding tribal development and welfare, Pandit Nehru notes that our task is "to preserve, strengthen and develop all the best of tribal society, culture, art and language. In the second, it is to protect tribal economic rights. The third is to unite and integrate the tribes into a true unity of the heart with India as a whole so that they can fully fulfill their lives. And the last one is to develop welfare and education structures so that each member of the tribe can have the same opportunities as the rest of the citizens who work in the fields, factories and laboratories in the open and on the plains."

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