THE SOCIOECONOMIC IMPACT OF CAPITALISM IN INDIA: CHALLENGES FACED BY THE COMMON MAN

R. Venkatesh[1] and G. Palanivel[2]
[1]Department of History , Annamalai University, Annamalai Nagar, Chidambaram
[2]Department of History, Thiruvalluvar Government Arts College, Rasipuram
vvenkat507@gmail.com, drpalanivel1974@gmail.com

ABSTRACT

Capitalism is an economic system in which the means of production are largely under the control of individuals. Also in this system, investment, distribution, income, production, and pricing of goods and services are determined by the market economy. It deals with the rights of individuals and groups of individuals acting as legal persons to engage in business in capital goods, wages, land, and money. Capitalism was institutionalized in Europe between the 16th and 19th centuries. Early forms of merchant capitalism became prominent in the Middle Ages. After the end of feudalism, capitalism became dominant in the West. From here, especially in England, it gradually spread across political and cultural boundaries to other places. In the 19th and 20th centuries, capitalism was a major factor in industrialization throughout the world. India is a mixed economy country. Being a country that follows a mixed economy system, there is a practice in India where many resources keep the capitalists alive and the poor. This research explains its implications.

Keywords: *Globalization, Liberalization, Privatization, Mixed economy*

Introduction

India's economy ranks fourth in the world in terms of purchasing power parity at $3.363 trillion. The GDP growth rate is 6.2. [1]However, India's population is very large and the per capita income is as low as $3100. The Indian economy is heavily dependent on agriculture, handicrafts, the industrial sector, and the service sector. The service sector is responsible for India's current economic growth.[2] Two-thirds of India's population is directly or indirectly dependent on agriculture. The economic history of India can be divided into three periods. They are the pre-colonial period (from the 17th century to the present), the colonial period (from the 17th century to 1947), and the post-independence period (from 1947 to the present). During British rule from 1850 to 1947, the Indian economy grew at an annual rate of 1% from 1880 to 1920. During this period there was a great change in the agricultural sector due to the rules established by the British. Attempts to promote trade by focusing on agriculture failed. As a result, India faced a major famine.[3]

In order for a nation to chart a trajectory of seamless development, the imperative of ensuring equal rights for all citizens becomes paramount. Furthermore, the potential repercussions of subjecting a particular socioeconomic class to profound adversities, while concurrently affording disproportionate privileges to another segment, manifests in an asymmetric distribution of opportunities and resource exploitation within a country. Consequently, the majority of the populace finds itself ensnared in formidable challenges, while only a select faction experiences substantive growth. This engenders an environment characterized by adversity and affliction, fortifying the affluence of the privileged. Within the framework of capitalism, an economic system prevalent in numerous societies, the inherent risk of perpetuating socioeconomic disparities looms large. If capitalism is not tempered by mechanisms that guarantee equal access to its benefits, it can inadvertently accentuate existing inequalities. This system has the propensity to sustain the impoverishment of the less privileged, withholding from them the means to satisfy even their most basic daily needs. Capitalism, when bereft of safeguards to ensure equitable opportunities, evolves into a scenario where a segment of society exploits the masses on multiple fronts – be it in terms of labor or wealth – thereby relegating the common populace to a predicament where the fulfillment of essential necessities becomes an unattainable endeavor. Such circumstances contribute to a widening chasm between the affluent and the destitute, fostering an environment wherein the privileged continue to amass wealth, while the marginalized grapple with persistent hardships and deprivation.

Geography and natural resources

India has diverse landscapes. India has everything from mountain ranges to deserts. The temperature ranges from very cold to very hot. India receives an average annual rainfall of 1100 mm. receives rain. 92% of water is used for irrigation.[4] A wide variety of minerals are available in India. India ranks fourth among coal-rich countries. Also available are iron ore, mica, manganese, titanium, thorium, diamond, natural gas, petroleum, etc. The population of India is 121 Crore(121,01,93422). It is the second most populous country in the world. India has 17.5 percent of the world's population.[5] One in every three names living in India today is a youth. It is projected to become the youngest country in the world with 64 percent of its population being youth by 2020. United Nations projections suggest that by 2030, India will overtake China to become the most populous country in the world. The combined population of the United States, Indonesia, Brazil, Japan, Bengal, and Pakistan is roughly the same as that of India alone.[6]

Currency system

The name of the currency used in India is Rupee. One hundred paise is one rupee. The Indian rupee is available in denominations of ₹5, ₹10, ₹20, ₹50, ₹100, ₹200, ₹500, and ₹2000 and coins in denominations of ₹1, ₹2, ₹5, ₹10 and 50 paise. In 2010, the Government of India declared "₹" as the Indian Rupee symbol to distinguish the Indian Rupee from the Rupees of Pakistan and Nepal.[7]

Indian National Industrial Policy

India - The country is a major agricultural country and plays an important role in the production of milk, perfumes, and cosmetics. According to the 1999-2000 censuses, 25% of India's GDP was derived from agriculture and allied sectors such as forestry, logging, fishing, etc.[8] And this sector provided 57 percent of the employment. Productivity has increased considerably over the past 50 years as a result of the Green Revolution. However, it is less than 30 to 50 percent compared to the global standard. The reasons for this are illiteracy, irregular monsoon, small lands, and inadequate irrigation facilities. The share of Indian industry in India's GDP is 28.4 percent. It employs 17 percent. After the economic reforms in 1991, many multinational companies set up business here.[9]

The government announced its industrial policy in July 1991.[10] Freeing the Indian industry from the clutches of government officials Liberalization to integrate the Indian economy with the world economy Relaxation of restrictions on foreign direct investment and relaxation of restrictions of MRDP Act for domestic traders Privatization of public sector enterprises which have been profitable for years or have become burdensome to the government.[11] During the span from 1996 to 1999, the pursuit of economic reforms was hindered by the prevailing political instability at the center. However, a marked shift occurred when the government fervently embraced reforms from 1999 to 2004. This period witnessed the effective implementation of numerous policy reforms. Subsequently, the next government, sustained and extended the reform trajectory since 2004. The focus widened to encompass agricultural development, rural development, the welfare of marginalized sections, and poverty alleviation. Thus, apart from the hiatus between 1996 and 1999, successive central governments diligently pursued economic reforms.[12] The government, assuming office in June 1991, initiated a comprehensive program of macro-economic stabilization through fiscal correction. Concurrently, a structural reform program targeting trade, industrial, and public sector policies was launched to bolster the inherent competitive strength of the industrial economy. The overarching objective was to formulate an industrial and trade policy framework fostering efficiency, mitigating biases toward excessive capital intensity, and promoting an employment-centric industrialization pattern.

The government's pivotal policy initiatives encompassed fiscal correction, trade policy reforms, industrial policy reforms, and public sector reforms. Fiscal correction aimed at restoring fiscal discipline, particularly in light of the acute Balance of Payments (BoP) crisis and persistent inflation stemming from substantial budgetary fiscal deficits. Trade policy reforms sought to create a conducive environment stimulating exports while concurrently diminishing regulatory constraints and license controls on foreign trade. The industrial policy, unveiled in July 1991, aimed at substantial deregulation of industries, propelling the growth of a more efficient and competitive industrial economy. Public sector reforms were instituted to enhance the operational efficiency of underperforming public sector units, coupled with a limited disinvestment of public sector equity. Between 1991 and 1996, sweeping policy changes were implemented across industry, international trade, the external sector, infrastructure, fiscal matters, the financial sector, and the capital market. This transformative period laid the foundation for a more dynamic and competitive economic landscape in India.

The first phase of capitalist ascendancy

The New Economic Policy of 1991, when measures were taken on the Indian economy. That is the reason why global companies dominate India through those economic activities. And many private capitalists can say that it laid the foundation for India's massive exploitation of India's resources. During that period, India was under severe crisis due to low foreign exchange reserves.[13] To save the country immediately from this, people like ***Narasimha Rao, Manmohan Singh, and P.C. Alexander*** consulted and took this urgent action based on the advice of how to save India from this great economic collapse. As a result of that urgent action, the Indian economy has been exploited in many ways and many activities continue to affect the livelihood of the grassroots people daily.[14] Due to this, we can see that India's vast resources can only be used by capitalists, and India's resources are largely exploited for the use of large foreign companies. On that basis, the economic exploitation of the Indian country is being carried out by the big capitalists, consequently, the common people are experiencing great hardships in their daily lives. On the per capita income basis of the Indian economy it can be put forward that the majority of people are not able to enjoy good conditions in their life and the reason for these activities is there.[15] The 1960s marked a period of significant economic and political changes in India. Until that time, the country had followed a mixed economy model with a strong emphasis on central planning and socialism. However, in the years following the 1960s, there was a shift towards a more open-market economy, with increased emphasis on capitalist principles. Several factors contributed to this transition: In the 1980s and 1990s, India faced economic challenges such as slow growth, fiscal deficits, and a balance of payments crisis. In response, the government initiated economic reforms to liberalize the economy. The landmark moment was the introduction of economic liberalization in 1991 under the leadership of then-Finance Minister Manmohan Singh. These reforms aimed at reducing government intervention, promoting privatization, and opening up the Indian economy to foreign investment. he opening up of the Indian economy to the global market played a crucial role in the ascendancy of capitalism. Foreign Direct Investment (FDI) increased, and multinational corporations began to invest in various sectors of the Indian economy. The IT and software industry boomed during this period. India became a major player in the global information technology outsourcing market, with cities like Bangalore emerging as major technology hubs. The government started to divest its ownership in various sectors, including telecommunications, aviation, and infrastructure. This move led to increased private sector participation and competition in these industries. Reforms in the financial sector, including the liberalization of banking and the stock market, played a significant role in the capitalist transformation. The introduction of new financial instruments, easing of restrictions, and the entry of private players contributed to the growth of the financial sector. The period saw a rise in entrepreneurship, with individuals and small businesses playing a more significant role in the economy. This was facilitated by a more favorable policy environment for private enterprise. The growth of the middle class and increased consumer demand led to the expansion of industries catering to consumer goods and services. This shift towards a consumer-driven economy reflected capitalist principles.

	Pre-reform	Post-reform
Sources	1984/85–1991/92	1992/93–2007/08
Internal sources	33.30	42.66
Reserves and surplus	9.80	14.14
Depreciation	22.59	21.90
External sources	66.70	57.34
Funds from capital markets (equity)	*6.93*	*15.21*
*Borrowings (debt)***	*36.88*	*25.85*
a. Bank borrowings	12.19	15.69
b. Institutional borrowings (FIs)	9.15	3.84*
c. Debentures	10.54	2.54
Trade dues and current liabilities	*22.89*	*16.2*

Source: Handbook of Statistics on the Indian Securities Market, 2009, SEBI.

The Dynamics of Capitalist Development: Markets, Characteristics, and the State's Role in Embourgeoisement

The centrality of markets within the framework of capitalist development is widely acknowledged. Beyond the inherent importance of markets, capitalism possesses distinctive characteristics that collectively define it as a cohesive system. This socio-economic paradigm operates as a class-based structure, demarcating a clear divide between direct producers and the proprietors of the means of production. The cornerstone of production in capitalism is wage labor, representing the predominant mode of productive work. Owners, driven by the pursuit of profit, engage in production activities whose culmination occurs in the marketplace. A crucial facet of capitalism lies in the evolving role of market prices, which increasingly serve as signals influencing both production and consumption. Competitiveness is a hallmark of capitalism, as suppliers and buyers alike respond dynamically to fluctuating prices. Although the scope of capitalism has expanded globally, the primary sources of its growth remain rooted in the national context. It is imperative to recognize that not all characteristics of capitalism manifest uniformly across diverse geographical and temporal dimensions. Nevertheless, the ubiquity of wage labor, the prevalence of price-driven markets, the commercial underpinnings of market production, and ensuing competitive dynamics have become pervasive elements of this economic system.

The nature of markets, inherently social institutions orchestrating economic activities, underscores their dependence on broader institutional frameworks. Private property laws, corporate governance systems, and the legal apparatus significantly influence the functioning of markets. Notably, the state emerges as a pivotal institution shaping the landscape of capitalist markets. While considerable attention has been devoted to analyzing the state's role in the broader economic and political context, scant focus has been directed towards understanding the state's evolving character resulting from internal social and class differentiation.

The phenomenon of embourgeoisement, wherein an emerging middle class, empowered with increased purchasing capacity, is fostered by the state, creates compelling economic and political imperatives for the state itself. This process propels the state towards deregulation, facilitating the expansion of markets. In the Indian context, embourgeoisement takes on a distinctive character, involving the upward mobility of those already positioned in higher social and economic strata. Notably, parliamentary democracy provides a limited avenue for lower-ranked social groups to experience upward mobility.

The widening phenomenon of embourgeoisement is anticipated to induce structural shifts in demand composition, thereby reinforcing the trajectory of market growth in a cumulative and path-dependent manner. Within this non-linear progression characterized by increasing returns, two pivotal considerations emerge: the mechanisms underpinning market growth and the convergence of critical factors catalyzing a turning point in capitalist evolution, where market expansion experiences an exponential takeoff. In response to the unprecedented economic crisis of 1991, the Government of India undertook a landmark initiative by unveiling a comprehensive package of major economic policy reforms. These reforms were meticulously designed to address the imperatives of macroeconomic stabilization and to reinstate the growth momentum within the Indian economy. This transformative endeavor embraced a three-pronged strategy encompassing economic stabilization, structural reconfiguration, and the integration of the Indian economy into the global landscape. Primarily, the stabilization facet of the strategy sought to redress the imbalance between aggregate demand and supply by mitigating the burgeoning budget deficits of the central government. This entailed a concerted effort to rectify fiscal discrepancies and establish a more sustainable economic foundation. The second dimension of the strategy focused on the restructuring of the Indian economy to enhance its international competitiveness. This involved the formulation of strategic policies pertaining to both domestic industry and foreign trade.[16]

The overarching objective was to propel the Indian industrial sector into a position of global competitiveness, thereby fostering economic resilience. The third pivotal component of the strategy involved the globalization of the Indian economy. This multifaceted approach included the reduction of custom tariffs, facilitation of the unimpeded inflow of foreign capital, liberalization of the service sector to foreign investment, devaluation of the Indian Rupee, and the progressive transition towards partial and full convertibility of the Rupee. These measures were aimed at fostering a more interconnected and globally engaged Indian economy. Significant policy alterations were announced across various fronts, encompassing fiscal, monetary, trade, industry, agriculture, foreign exchange, foreign investment, and public sector undertakings, commencing from the pivotal year of 1991. Key policy shifts, such as devaluation, desubsidization, delicencing, and deregulation, marked a paradigmatic departure from the economic policies hitherto pursued. The underlying economic rationale steering these reforms was anchored in the imperative to fortify market forces. Embracing a philosophy that accentuated the virtues of a liberated market, the reforms sought to minimize undue interference with market mechanisms through excessive regulations and controls. This approach aimed to empower market dynamics and enable a more unfettered functioning of the market, fostering a climate conducive to sustained economic growth and development.

Economic Liberalization in India

India underwent reforms in the 1990s and 2000s to improve its ability to compete internationally in many industries, including telecommunications, software, pharmaceuticals, biotechnology, research and development, and professional services. These reforms, which included lowering taxes, deregulating markets, and slashing import tariffs, increased foreign investment and produced rapid economic growth.[17] Foreign investment rose by 316.9% between 1992 and 2005, while India's GDP surged from $266 billion in 1991 to $2.3 trillion in 2018.[18] One study found that overall salaries increased along with the relative wage share of labor to capital. However, some have argued that GDP is inaccurate because it doesn't reflect inequality or living conditions. Although overall earnings increased, some critique GDP as a gauge of economic development for the reason that it doesn't take inequality or living standards into consideration.[19] From 36% in 1993–1994 to 24.1% in 1999–2000, the percentage of people living in extreme poverty decreased.[20] These poverty statistics, though, have come under fire for not accurately depicting the situation. One revise claims that while 15% of the working population makes less than 5,000 (about $64) per month, the richest 1% of the population gets between 5 and 7% of the national income. Additionally, the liberalization measures have come under fire for worsening rural living conditions, increasing economic disparity, concentrating wealth, producing unemployment, and increasing the number of farmer suicides. India's economy is also becoming more connected with the world economy. India's overall exports of products and services as a percentage of GDP nearly doubled from 7.3 to 14 percent between 1990 and 2000.[21] The increase from 9.9 percent in 1990 to 16.6 percent in 2000 was less pronounced on the import side but noteworthy. The total commerce in goods and services as a percentage of GDP increased from 17.2 to 30.6 percent in just ten years. From US$132 million in 1991–1992 to $5.3 billion in 1995–1996, foreign investment in India rose dramatically in the form of foreign direct investment, portfolio investment, and investment in international capital markets.[22] With the ratio of its total exports of goods and services to its GDP nearly doubling from 7.3 percent in 1990 to 14 percent in 2000, India likewise integrated its economy with the global economy. Additionally, some states with labor laws that support workers reported slower industrial growth than states with rules that support employers. Life expectancy and literacy rates increased after the reforms at a rate that was essentially the same as before. The GDP also continued to grow at nearly the same rate as before the 1991 reforms for the first 10 years afterward.[23]

Implications of capitalist dominance in the present scenario

The major capitalists who exist in India in the current environment are those who earn huge profits through their extravagant business practices and who dominate the Indian economy due to their vast wealth and resources. It is the largest and most profitable private sector company in India.[24] It is one of the world's 500 largest companies published by Fortune magazine. Started in 1966 by *Dhirubhai Ambani* (*Indian businessman who founded Reliance Industries in 1958. Ambani took Reliance public in 1977*) with an investment of Rs 15 lakh, the company has grown to a $28 billion revenue (2006) company.[25] Shareholders who invested in its first public share sale in 1977 at Rs 10 have made huge profits it does business in oil refining, petrochemicals, textiles, and retail. Starting in 1966 as Reliance Textiles in Naroda, Gujarat, it was selling its fabrics (Sarees, Curtains) under the name Vimal. Following a strategy of backward raw material integration, they set up a factory at Patalaganga in Gujarat to manufacture polyester yarn for textiles. Later they set up a petrochemical factory at Hajira to produce polyester raw material for the yarns. Finally, they set up Asia's largest oil refinery at Jamnagar to extract the raw material from shale oil. As a result of business expansion since 2000, joint stock companies have also engaged in the manufacturing and sales of electricity and telecommunication services.[26]

In 2005, the company split into two due to a family rift between sons Mukesh Ambani and Anil Ambani after the death of founder Dhirubhai. Mutual fund companies, power generation, sales, and telecommunication services were given to Brother Anil and run under the name Anil Dhirubhai Ambani Group. [27]A case filed by him against Reliance is pending for getting natural gas extracted from the Godavari basin at the low contract price. After the demerger, Reliance was involved in the retail sector. It has also commissioned a second oil refinery at Jamnagar.[28]

Mukesh Ambani: Indian billionaire

Mukesh Ambani (born 19th April 1957) is an Indian business magnate. He is also the Chairman and Chief Executive Officer (Managing Director) of Reliance Industries Limited, India's largest private sector company, which is listed on the Fortune Global 500 list. India's second-largest company, RIL is valuable in terms of its stock market capitalization and sales volume. He owns a 49.46% stake in Reliance Industries and is the operator of the world's largest oil refinery and the owner of India's largest natural gas field. Mukesh's younger brother Anil Ambani is the chairman of Reliance Group.

The Ambani family is the richest in India and ranks among the world's richest, having inherited their wealth from Dhirubai Ambani, the founder of Reliance India Group. In 2010, he was listed among the most powerful people in the world by Forbes American magazine 68 Important People, and in 2012,[29] he was ranked as the second richest person in Asia and the 19th richest person in the world, with a net worth of US$22.3 billion. [30]In 2007, due to the appreciation in the Indian stock market, the value of the Indian rupee increased, and however, did the value of the Reliance group of companies.[31] Due to this he became known as the richest man in the world He is a member of the Board of Directors of the Bank of America Corporation and is a current member of the International Council on Foreign Relations. Forbes US magazine listed Mukesh Ambani as the 2nd richest sports owner in the world in 2012. According to the list of richest sports owners, he is known to be richer than Chelsea and AC Milan. Ambani is the owner of Indian Premier League domestic cricket club Mumbai Indians.[32]

The Ambani family lived in a two-bedroom apartment in Puliswar, Mumbai until 1970. Dhirubhai Ambani later bought a 14-story apartment complex called 'Sea Wind' in Colaba where until recently Mukesh and Anil, along with their families, lived on different floors. Mukesh Ambani completed his primary education at Abey Moricha School in Mumbai and his chemical engineering degree from UCDT, now known as the Institute of Chemical Technology, Mumbai. He stood sixth in the university examination. Mugesu then enrolled in a two-year MBA program at the University of Stanford or Stanford University but dropped out in 1980 after one year. Indira Gandhi's administration encouraged the private sector in the production of PFY (Polyester Filament Yarn) in the early 1980s.[33] Dhirubhai Ambani had applied for a license to set up a polyester filament yarn (PFY) manufacturing plant. Dhirubhai Ambani was awarded the license among Tata, Birla, and 43 other contenders Ambani founded Reliance Infocomm Limited (now Reliance Communications Limited), one of the world's largest and most diversified communications and technology enterprises.[34]

The world's largest underground petroleum refinery is located in Jamnagar, India. Its current refining capacity is 660,000 barrels per day (33 million tons per annum) and Ambani directs and manages the integrated petrochemical, power generation, port, and associated infrastructure and infrastructure facilities. He is married to Nita Ambani and has three children. They live in a private 27-storey building named Andilia (building) in Mumbai.[35] The house is worth 2 billion US dollars ($), making it the most expensive house in history. [36]Reliance Jio is the telecom services division of Reliance Industries. Reliance Jio is licensed to provide 4G services across India. Currently running on a trial basis. Jio, which acquired 10 crore customers in 170 days, has crossed 30 crore customers in the last two and a half years. Reliance Jio has climbed to the second position in the Indian telecom market. Jio currently has 30.6 crore users. It has achieved this feat in the last two and a half years. Vodafone Idea Joint Venture is a premier telecom company. Airtel is in the third position.[37]

Adani Groups: A symbol of the jeopardy inclination and destabilization of the Indian economy

The Adani Group is an Indian multinational conglomerate headquartered in Ahmedabad, Gujarat. It was founded in 1988 by Gautham Adani as a commodity trading company with the parent company Adani Enterprises Limited (formerly Adani Exports Limited). It is headed by Gautam Adani. The company's diverse businesses include energy, resources, logistics, agribusiness, real estate, financial services, defense, and aerospace. The annual revenue of this group is 13 billion dollars.[38] The company operates in 70 locations in 50 countries. It is India's largest port developer and operator with ten ports and terminals including Mundra Port. The group owns India's largest cooking oil brand "Fortune" through a joint venture with Singapore-based Wilmar International. India's famous businessman Gautam Adhani was ranked second in the Bloomberg Billionaires Index.[39] other than after the release of the Hindenburg thesis on January 24, he has been pushed down to 21st place on the list. This decline continues. Gautam Adani has lost more than 10000 crores since this report came out till now.[40] This is no doubt a big blow to his business empire. LIC, which has invested in the Adani Group, and State Bank of India, India's largest state-owned bank, are also suffering losses. Ever since Adani abruptly withdrew its FPO issued to raise Rs 20,000 crore on Wednesday, it is understandable how much the cloud of crisis is.[41] has hung over the Adani Group. 2023 Feb 4 - Stock market regulator SEBI said that no market disturbance will be allowed and all necessary action will be taken in this regard. 2023 Feb 2 - Amid fears among investors, the RBI has sought complete information from lenders to the Adani Group.

2023 Feb 2 - Company owner Gautam Adani released a 4-minute-5-second video explaining the reason for withdrawing the FPO. For a long time, foreign investors and foreign lenders have considered India's economy as a great place for investment. As of 25 December 2022, India has received around $85 billion in foreign direct investment (FDI), according to the Indian government.[42] From April 2000 to September 2022, the country's total FDI reached $88.8 billion, according to government statistics, with 26 percent of the investment coming from Mauritius. It is followed by Singapore at 23 percent, the USA at 9 percent, the Netherlands at 7 percent, Japan at 6 percent, and Britain at 5 percent. 2 percent investment came from the United Arab Emirates, Germany, Cyprus, and the Cayman Islands. Adani Group's businesses include ports, roads, rail, airports, and energy.

The Adani Group is seen as a key partner in India's economic ambitions under the Modi government. On February 1, Adani called off its share issue, citing market volatility, after Indenburg said the Adani Group did not adequately respond to its queries. He also announced that he would return the money paid for the shares to the investors. The Reserve Bank of India said it would seek details from banks about the operations of Adani companies. In response to these issues, Citibank has stopped lending to its customers using Adani Group's equity securities as collateral. Credit Suisse Group AG has stopped accepting equity securities of Gautam Adani's group companies as collateral for loans to its private banking clients. S&P Dow Jones Indices has knocked Adani Enterprises off its sustainability index. Apart from this, the Adani Group has been repeatedly criticized in India. The government were criticized for actively supporting it.[43]

A layman's situational approach to the Indian economy

This piece of writing is only meant to highlight the careers of two leading businessmen in India and their business growth and their exponential growth in wealth. One way to control this capitalist influence is based on the awareness and foresight of future generations. Although there are hundreds of other industrialists in India, the impact of these two industrialists has greatly shaken the history of India. And there are many other powerful politicians like Kalanidhi Maran in Tamil Nadu in southern India like Sun Groups and big capitalists like Tata Group and India Cement who are still exploiting India's resources to a great extent.[44]

The economic evaluation of a country is always based on resources. On that basis, if many important resources are given to the capitalists, many of the individual Indian citizens who have the right to own them, live in poverty and face hardships in their daily life, without job opportunities and any adequate health facilities. More specifically, this study is intended to explain the two big capitalists in India, their wealth, their dominance in India, and their economic monopoly. And the business investments of many businessmen, their profit rates, their black money, their malpractices, etc. will be investigated, but they will lead India toward a disaster.

In that way, that great flood will surely end one day in the coming times. Understandably, these capitalists with huge profit motives continue to loot the huge income of the common man every day for their profit motive. The impact of Jio and Adani's exploitation of resources on Indian history is no small feat. They can run into thousands of pages if investigated. Between 1994 and 2011, India managed to reduce poverty very rapidly. During this period the percentage of people below the poverty line was reduced from 45% to 21.9%. In terms of numbers, 13 crore people were lifted out of extreme poverty. Data for the post-2011 period is yet to be officially released. A survey has been conducted, but the report is yet to be published. However, according to World Bank statistics, the percentage of extreme poverty has decreased to 10.2% by 2019. Rural India excelled in this compared to urban India beyond 2019 is not yet available.[45]

Years	Net FDI (US$ million)	Growth rate (%)
1990–91	97	
1991–92	129	32.99
1992–93	315	144.19
1993–94	586	86.03
1994–95	1343	129.18
1995–96	2143	59.57
1996–97	2842	32.62
1997–98	3562	25.33
1998–99	2480	—30.38
1999–2000	2167	—12.62
2000–01	4031	86.02
2001–02	6125	51.95
2002–03	5036	—17.78
2003–04	4322	—14.18
2004–05	5987	38.52
2005–06	8901	48.67
2006–07	22739	155.47
2007–08	34236	50.56
2008–09	34982	2.18

Unrighteous tendencies caused by capitalism in India

The Indian people are living in poverty day by day and the capitalists of India are growing more and more due to huge profits and this trend is creating a social imbalance and slowly destroying India too. It is important to note that it took 75 years to reduce the percentage of people living in poverty to single digits and 30 years of economic reforms played a major role in that. Almost half of the population, about 45%, lived below the poverty line 30 years ago. Today that figure is 10%. This is a wonderful change. At the same time, inequality has increased in the 30 years since the reforms were implemented. Billionaires' fortunes have skyrocketed.

The share of those at the bottom in national wealth is declining. There was no one from India in the 90s on the Forbes list of the world's richest people. In 2000, the number was nine. In 2017 it was 119. By 2022 this number will be 166. India has the most mega-millionaires (billionaires) after Russia. According to a 2017 Oxfam report, 77% of national wealth is concentrated among the top 10 percent. The top 1% own 58 percent of the national wealth.

In 1990, the top 10% received 34.4 percent of the national income. The bottom 50% earned 20.3% of income. By 2018 this had fallen to 57.1% for the top 10% and 13.1% for the bottom 50%. Since then, the Oxfam report points out that even during the Covid crisis, the top earners have been able to increase their income exponentially. The International Labor Organization (ILO) says in its report that all the above issues are major challenges for India. Along with the ILO, the Asim Premji Foundation has also highlighted these issues in one of its research papers. While CEOs in some companies earn crores, some employees earn as little as Rs 15,000 a month.[46] In some private companies, the wage gap is more than 1000%. If we consider large countries, India tops the wage gap list. This further fuels the growth of inequality. History shows that specialization deepens as capitalism increases.[47]

Indian Capitalism is the line of attack for disproportion

The consumption of technology and the gap between the skilled and the unskilled also increase. More money given to skilled workers widens the wage gap. Even if we take the above factors into account, we have to remember that the wage gap in India is extraordinarily wide compared to developed and developing countries. Similarly, if we take the Gini Coefficient considered as a measure of wealth distribution, it was 35.7 in 2011.[48] In 2018, it increased to 47.9. India tops the entire world's list when it comes to extreme inequality, especially among large markets.[49] According to the World Inequality Database (WID), the following graph shows the widening wealth gap between the top 1% and the bottom 50% from 1995 to 2021. The red line represents the top 1% and the blue line represents the bottom 50%. the increasing income inequality between the top 1% and the bottom 50% over the past 20 years. that inequality has increased with wealth in India and that there is an inextricable link between the two. Many researchers in India tend to cherry-pick figures to suit their convenience and highlight their point of view, pushing other issues to the back burner. And some cleverly keep those problems hidden.[50]

Various forms of inequality in Indian history

In Indian History Promotion of capitalism through government money has been throughout independent India. Nehru's speech in Parliament in 1955-56 revolved around this

industrial policy. From the fourth five-year plan period to the Economic Survey 2020-21, the Indian government has been discussing rising inequality in every possible scenario. "Benefit to individuals is not the main measure of development. The journey of development should be towards equality". The Fourth Five Year Plan of 1969-74 announced this The First and Second Five Year Plans emphasized that the government and the private sector should work together if the country is to develop, and that the government should play an important role in this. It was realized early on that the state was crucial to the expansion of capital and that it was the state that was the investor and created capitalism. The Second Five Year Plan stated that 'if the private sector cannot bear the cost of setting up large factories, the government will take responsibility'. While the first five-year plan emphasized agriculture, industry took over in the second five-year plan.
The First Five Year Plan announced that the goal was to eliminate the need to import food grains and grow to a surplus level. Global processes dictate that such surpluses create new capital and capitalism. The same thing happened in India. The emergence of industrial capital and industrialists from agricultural surplus is a universal phenomenon. Yet India had to wait a long time for the development of an agricultural surplus that could be used for the expansion of capital. At the same time the increased penetration of banks brought in large amounts of money in the form of deposits. And the revenue from taxes also enabled the government to provide generous loans to industrialists. During this process began the habit of taking huge loans and not repaying them.[51]

The Dilemma of Privatization in India's Educational Landscape

Education stands as an indispensable tool for the comprehensive and foundational development of any nation. Recognizing its paramount significance, the *Kotharik Education Commission (1966)* emphatically asserted in the preface of its report that "*India's destiny is decided in its classrooms*." The notion that education serves as a potent instrument for effecting social, economic, and cultural transformations necessary for the advancement of a country's interests raises a pertinent question: Is education effectively disseminated to the entirety of the population? Regrettably, upon scrutinizing the current state of education across the country, one is confronted with disillusionment. Numerous impediments obstruct the decentralization of education, hindering its accessibility to all strata of society. The trajectory of education in India took a significant turn post-Independence when, in the constitutional framework, education transitioned from being under the State List to the Concurrent List in 1960, during the tenure of Mr. M.C. Chagla as the Union Education Minister. This transition led to the establishment of educational institutions at the national level, exemplified by the creation of the Central Board of Secondary Education (CBSE) in 1966. This marked a pivotal moment as private self-financed schools were permitted to adopt the uniform curriculum formulated by CBSE. However, the subsequent era witnessed the privatization of education, wherein educational institutions emerged primarily driven by profit motives, thereby narrowing the scope of education.
In 1992, during the tenure of Prime Minister Mr. A. Narasimha Rao, India embraced the Global Liberalization policy, resulting in the increased dominance of the private sector in higher education. With the escalating population demanding a commensurate expansion in educational infrastructure, private participation became imperative. Yet, the initial allowance for a limited number of private institutions has, over time, transformed into a scenario where the private sector outnumbers government and government-aided educational establishments. Unfortunately, the noble pursuit of providing quality education has been overshadowed by commercial interests. Private educational institutions, operating as profit-driven enterprises, impose exorbitant fees, encompassing tuition, books, uniforms, shoes, transportation, meals, accommodation, and even donations. For economically disadvantaged students, attending such schools remains an elusive dream due to the multifaceted financial burdens imposed.
The competitive landscape among private schools has given rise to malpractices in examinations and the quality of education.

Unscrupulous activities such as bribery and corruption have infiltrated the education sector, compromising the academic integrity and future prospects of students. It is imperative for education to foster the holistic development of students, nurturing their entire personalities. However, private educational institutions often prioritize transforming students into mere exam-focused entities, neglecting broader aspects of growth and learning. Given the government's inability to provide education to the entire population owing to demographic pressures, private participation in education becomes a pragmatic necessity. Nevertheless, the government must not merely permit but actively regulate private educational institutes. Rigorous monitoring and the formulation of comprehensive recommendations for implementation are imperative to ensure that private entities contribute positively to the educational landscape. while private participation in education is an inevitability in the face of demographic challenges, a balanced and well-regulated approach is crucial.

The government must not abdicate its responsibility but rather exercise vigilant oversight to guarantee that private educational institutions align with the noble objectives of providing quality education and fostering the overall development of the nation's human capital.

Privatization Dilemma in Contemporary India

Privatization, the transfer of sectors once under governmental management to private individuals, stands as a contentious issue in contemporary India. The underlying rationale for governmental divestiture often centers on financial losses incurred by the entity in question. The imperative to curtail ongoing fiscal setbacks compels the government to explore private sector involvement, thereby mitigating further financial burden. In evaluating the viability of government-led enterprise management versus private stewardship, discernible distinctions emerge, notably in employee behavior. Private companies possess the latitude to recruit and release personnel based on performance, a prerogative not readily exercised within the confines of a government agency.

The dichotomy extends to disciplinary actions, with private enterprises able to promptly dismiss an employee for errors, a latitude seldom extended to their government counterparts. Crucially, the criteria for advancement within government-run institutions often hinge on seniority rather than merit. This contrasts sharply with the private sector's ability to reward and promote employees based on their demonstrated skills and competence. Such flexibility can substantially enhance organizational efficacy under private ownership. A critical dimension lies in the differing social responsibilities of government and private entities. Government-run enterprises bear the onus of societal welfare, subject to a myriad of regulations and obligations, including job security for older employees and adherence to reservation policies. Conversely, private companies operate with greater autonomy, unencumbered by such regulatory constraints, facilitating a more streamlined pursuit of profitability.

The appropriateness of privatization hinges on the nature of the sector in question. While some government-run sectors inherently incur losses due to societal welfare commitments, others may face challenges due to administrative inefficiencies. The Tamil Nadu Transport Department, for instance, operates at a perennial loss, primarily attributed to its obligation to service sparsely populated areas and constrained fare adjustment. In essence, the privatization discourse pivots on the delicate balance between financial prudence and societal welfare. While certain sectors may benefit from private sector efficiency, others, bound by social obligations, may find their true purpose fulfilled under government stewardship. The nuanced consideration of each sector's unique dynamics is imperative to chart a judicious course in navigating the privatization landscape.

Conclusion

India overcame food grain shortages in the 1980s. Today the country is an exporter of food grains. The Green Revolution played an important role in this change. Thus, a new capitalist class emerged among the agricultural castes. The Kammas and Reddys of the Telugu nation are one such example. Jats and Sikhs from Haryana and Punjab (even among Sikhs Jats are in majority) became traders. Hence, this development redistributed more wealth to certain castes. Social inequality is here.

"The report discussed in detail the work of Thomas Piketty, a world-renowned economist working on inequality. However, the report concluded with the lines that increasing wealth is more important than inequality at this point, as poverty decreases with increasing wealth. It shows the direction in which the Government of India is going. The First Five-Year Plan said that since there is not enough wealth at present, redistributing it would mean redistributing poverty, so the focus should be on increasing wealth. Even after 75 years, India's richest man is among the world's top 10 billionaires, the Indian government is still following the same policy.

The other side of the journey was to reduce extreme poverty, encourage migration from rural areas to urban areas, and convert them into consumers of industrial goods. Some proponents of economic reforms have alleged that India suffered in the past due to a lack of competition, as everything was state-controlled until the 90s. They argue that mainly the policies of Nehru and Indira Gandhi hindered the development of the country and it was because of PV Narasimha Rao and Manmohan Singh that India was able to come out of those shackles and the wealth we see today due to their actions. Narasimha Rao and Manmohan Singh were indeed the engines that drove the reforms. However, we have to move past that and look at this. There was a historical evolution that prompted them to initiate reforms. At that time the industry insisted that India was not able to withstand foreign competition and that there should be regulation and regulation. While opposing foreign investment, the Bombay Group said the government should invest money in developing domestic industries. However, licensing and regulatory policies resulted in monopolies.

The Monopoly Inquiry Committee itself mentioned it. Due to monopoly, there was no capacity expansion and people had to queue for consumer goods. Be it resources, consumer goods, telephones, scooters, or whatever, everything was monopolized by someone. Due to the city-centric development model, states like Bihar and West Bengal have lagged in industrialization. At the same time, states like Tamil Nadu and Maharashtra have progressed. At the time of independence, Bihar and West Bengal were equal to Bombay in industry. But today they are lagging.[52] This change can be seen in the economic and social spheres as well. Although West Bengal has a metropolis like Kolkata, there is an argument that its current state of industrial backwardness is due to the strict implementation of land reforms and the non-mobilization of agricultural surpluses as private capital. At the same time, there is an argument that the work culture suffered during the Left regime. On the other hand, some argue that in a place like West Bengal, where a sense of entitlement to better working conditions and better wages permeates the population, employers are forced to back down. West Bengal is the subject of many studies today. Overall, while recognizing the progress the reforms brought and the wealth this progress created, they should be praised for reducing poverty. At the same time, let's not forget that inequality is rising at an alarmingly high rate.

The government report itself pointed out that 'poverty is the parent of revolution and crime'. Subsequently, the government should do all it can to prevent the rise of inequality. If there is an economic structure in India in which all the resources are available to the common man, then India will be a great country in the world. And if India abandons this system and follows the system of cooperative economy, the resources of India will come to the use of the common man and by helping the rural development, the life of every crore of people will be better. India is a medical country that has a lot to offer and through this article, it can be understood that India will attain a good position only when a common man can experience its greatness.

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