

WORRIES ON THE ECONOMIC FRONT

There is an overwhelming feeling that the price situation has worsened; more people hold the Centre than their State governments responsible

Theme: ECONOMY, PRICE RISE & LAND ACQUISITION

The Centre has reason to worry given the public perceptions of the state of the nation's economy, as recorded by the CNN-IBN & CNBC-TV 18 "State of the Nation Poll," conducted by the Centre for the Study of Developing Societies (CSDS) and presented by *The Hindu*. The message lies in the fine print. Years of survey research has demonstrated that the people of India tend to be positive and optimistic when it comes to their economic conditions. One needs to look at the figures closely and compare these carefully with similar surveys in the past to pick the definite signs of anxiety.

In overall terms, the popular assessment of the state of the economy under UPA-II remains evenly divided, with about the same proportion of the people saying that the economy has improved or deteriorated. Among the poor, those who hold negative views outnumber those who make positive assessments. Farmers and non-farmers alike believe that the condition of farmers has worsened in the last two years. The resentment is more intense among small and marginal farmers.

The real unease is reflected in the responses to "price rise." In the Indian context, the ever-present concern about "price rise" is not just a complaint against inflation: blaming "price rise" is often another way of talking about lack of purchasing power and livelihood opportunities. There is an overwhelming feeling, cutting across class lines, though a shade stronger among the poor, that the situation on the price front has worsened. People hold the Central government rather than their own State governments responsible for this. What is worse, UPA-II has managed to convey an impression that it is not sincere about

tackling price rise. Even Congress voters are as unhappy on this as others.

This unease has begun to affect the general outlook of the Indian public on the economy. Taking into account their own households, people still say that their condition has improved as compared to the recent past, that they are satisfied with their financial situation, and that they are optimistic about the future. But a careful comparison with data from similar surveys in the past shows that public opinion has turned a shade negative over the last two years, especially among the poor. This unease of the "aam aadmi" needs to be distinguished from the unease of the investor and the corporate sector, frustrated with the slow pace of economic reforms. This survey (done across 19 States in a total of 1,300 randomly selected locations) reconfirms that the Indian public remains sceptical of "reform" measures such as the entry of foreign firms and the privatisation of public sector undertakings, and the introduction of a tax on agriculture.

On the burning issue of land acquisition, public opinion tends to favour the position of the anti-acquisition activists. On balance, people feel that the existing land acquisition policies are not fair to farmers. On balance, people favour the proposition that the government should acquire land only for unavoidable public purposes and not for any developmental project. The acquisition of land for private companies is also viewed unfavourably. Interestingly, there is little difference of opinion on these questions among farmers, non-farmers and city-dwellers.

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(Queries about the survey may be sent to election@csds.in)

THE ECONOMY: POOR RATING FOR UPA-II

	Economic growth under UPA II has...		
	Improved	Remained the same	Deteriorated
All respondents	20	32	22
Upper class	29	33	23
Middle class	23	37	21
Lower class	19	32	22
Poor	14	27	22

Question asked: Please tell me whether the following has improved or deteriorated during the last two years since UPA-II came to power.

Over half the respondents feel that under UPA-II, economic growth has either remained the same or has deteriorated over the last two years. Significantly, the number of those who say it has deteriorated is more than those who say it has improved. The upper and middle classes have a more positive view compared to the lower class and the poor.

THE HOUSEHOLD ECONOMY: BETTER IN 2009

Economic condition of households over the years	2004	2007	2009	2011
Better	27	42	46	42
Same	53	42	34	38
Worse	20	11	11	18

Question asked: As compared to two years ago, how is the economic condition of your household today? Would you say it has become 'much better,' 'better,' 'remained the same,' become 'worse' or 'much worse'?

While most respondents still say the economic condition of their household has improved over the past few years, the ratio of worse to better, which was 1:4 in 2007 and 2009, is now beginning to reduce.

PERSONAL FINANCES: RISING DISSATISFACTION

Satisfied with your own financial condition?	2004	2007	2009	2011
Yes, satisfied	63	65	62	64
No, dissatisfied	33	26	29	32

Question asked: In whatever financial condition you are placed today, on the whole are you 'satisfied' or 'dissatisfied' with it?

While satisfaction with personal, financial condition remains high, the ratio of those 'dissatisfied' to 'satisfied' has increased since 2007. In 2007, for every one person who was 'not satisfied,' there were three who were 'satisfied.' Now there are only two.

MORE POOR PEOPLE DISSATISFIED

Satisfied with your own financial condition?	All respondents	By class			
		Upper	Middle	Lower	Poor
Yes, satisfied	64	75	72	63	49
No, dissatisfied	32	21	25	33	47

Question asked: In whatever financial condition you are placed today, on the whole are you 'satisfied' or 'dissatisfied' with it?

As we go down the class hierarchy, the dissatisfaction with personal financial condition increases. Dissatisfaction with financial condition among the poor is high compared to other classes.

LESS OPTIMISM ABOUT ECONOMIC FUTURE

Economic condition of the household in future will be...	2007	2009	2011
Better	58	55	47
Same	24	17	26
Worse	7	8	13

Question asked: What will be the economic condition of your household in the coming few years? Would you say it will become 'much better,' 'better,' 'remain the same,' 'become worse' or 'much worse'?

People are less optimistic about the future economic condition of their household than they were in 2007 and 2009. The ratio of 'better' to 'worse' has worsened in 2011.

PESSIMISM GREATER AMONG POORER CLASSES

Economic condition of the household in future will be...	All respondents	By class			
		Upper class	Middle class	Lower class	Poor
Better	47	58	57	46	32
Same	26	21	22	27	30
Worse	13	9	9	12	21

Question asked: What will be the economic condition of your household in the coming few years? Would you say it will become 'much better,' 'better,' 'remain the same,' 'become worse' or 'much worse'?

The lower classes and the poor are not as optimistic about their economic future as the middle and upper classes. The poor are those who have no household assets and whose monthly household income is Rs.1,000 or less.

DON'T TAX AGRICULTURAL INCOME

Agricultural income should be taxed	All respondents	Rural farmers	Rural non-farmers	Urban respondents
Agree	18	20	18	17
Disagree	56	55	55	59

Question asked: Please tell me whether you agree or disagree with the statement. For every person in favour of agricultural income being taxed, three are opposed. The feeling is uniform across the rural-urban divide and farmers and non-farmers.

PRICE RISE UNCHECKED UNDER UPA

Control of price rise under UPA has...	Years	
	2006	2011
Improved	15	10
Remained same	22	25
Deteriorated	49	50

Question asked: Please tell me whether the following has improved or deteriorated during the last two years since UPA-II came to power.

Half the respondents feel that the government has been unable to control price rise and the situation has 'deteriorated.' The ratio of 'improved' to 'deteriorated,' which was 1:3 in 2006, has gone up to 1:5.

PRICE RISE: WHO'S TO BLAME?

	Central government responsible	State government responsible
All-India	55	24
Bihar	81	18
Uttarakhand	62	17
Rajasthan	61	22
Maharashtra	58	19
Uttar Pradesh	55	23
Punjab	52	23
Karnataka	50	38
Andhra Pradesh	48	34
Gujarat	45	22
Madhya Pradesh	44	25

Question asked: I am going to read out two statements. Please tell me whether you agree with statement one or statement two.

For every person who blames the State government for price rise, there are two who blame the Central government. This negative view of the Central government is uniform across all States and highest in Bihar. Karnataka has the highest number of respondents blaming the State government, but even here the Central government is held to be more responsible.



Manmohan Singh



Pranab Mukherjee

UPA-II INSINCERE ON PRICE FRONT

	Government has made sincere efforts to control rising prices	Government has not done enough to control rising prices
All respondents	20	60
By voting preference		
Congress voters	23	58
BJP voters	21	65
Left voters	19	60

Question asked: I am going to read out two statements. Please tell me whether you agree with statement one or statement two.

A large proportion of respondents feel that the government has not done enough to control rising prices. This feeling is shared by voters of various political parties, including a large section of Congress voters.

ON LAND ACQUISITION FOR PRIVATE COMPANIES

Category	Government should never acquire land for private companies. They should acquire it on their own	The government should have the right to acquire land for use by private companies
All respondents	37	28
Rural farmers	36	27
Rural non-farmers	35	26
Urban respondents	41	31

Question asked: I am going to read out two statements. Please tell me whether you agree with statement one or statement two.

Urban respondents are more vocal than their rural counterparts. However, both these sets of respondents are again united in their belief that the government should not acquire land on behalf of private companies. Instead, they support private companies acquiring land on their own.

QUALIFIED SUPPORT FOR LAND ACQUISITION

	The government should acquire land rarely, only for unavoidable public purposes	The government should be able to acquire land for any developmental activity
All respondents	42	24
Rural farmers	40	26
Rural non-farmers	41	23
Urban respondents	48	26

Question asked: I am going to read out two statements. Please tell me whether you agree with statement one or statement two.

The majority of respondents across the two regions think land should only be acquired for unavoidable developmental purposes. It is interesting to note that the urban segment is even more of this opinion than the rural farmer and the non-farmer.

THUMBS DOWN AMONG ALL CLASSES

Control of price rise under UPA has ...	All respondents	By class			
		Upper	Middle	Lower	Poor
Improved	10	11	11	10	7
Remained the same	25	28	28	24	21
Deteriorated	50	52	51	51	46

Question asked: Please tell me whether the following has 'improved' or 'deteriorated' during the last two years since UPA-II came to power?

Fifty per cent of the respondents believe that there has been a deterioration in the control of 'price rise.' This opinion is shared by all classes. Among the poor, the ratio of 'improved' to 'deteriorated' is much worse at 1:7.

OPPOSITION TO FOREIGN COMPANIES

Statements	Agree			Disagree		
	1996	2004	2011	1996	2004	2011
Foreign companies should not be allowed to conduct business freely in India	36	39	45	22	30	22
Government factories and businesses should be sold or handed over to private companies	23	24	24	34	46	41

Question asked: Please tell me whether you agree or disagree with each one of the statements.

The balance of opinion has tilted steadily against foreign companies being allowed a free run in India over the last 15 years. People are also against public sector undertakings being handed over to private companies, though the opposition is less than in 2004.

DETERIORATION ON AGRICULTURAL FRONT

Condition of farmers	All respondents	Big farmers	Medium farmers	Small farmers	Agricultural labourers
Improved	15	16	18	13	15
Remained same	29	32	25	29	25
Deteriorated	35	30	43	36	36

Question asked: Please tell me whether the following has improved or deteriorated during the last two years since UPA-II came to power. Small farmers: those who own land up to five acres; Medium farmers: those who own five-10 acres of land; Big farmers: those who own above 10 acres of land.

Most people say that the condition of farmers has deteriorated under UPA-II. The sense of deterioration is strongest among medium and small farmers.

LAND ACQUISITION POLICY IS UNFAIR

Category	Land compensation policy of the government is fair	Government does not offer fair and timely compensation
All respondents	27	36
Big farmers	28	36
Medium farmers	28	40
Small farmers	26	36
Agricultural labourers	23	32

Question asked: I am going to read out two statements. Please tell me whether you agree with statement one or statement two. Small farmers: those who own land up to five acres; Medium farmers: those who own five-10 acres; Big farmers: those who own above 10 acres.

More people think that the government's land acquisition policy is 'unfair' rather than 'fair.' This sentiment is more or less constant among big, medium and small farmers.

How to read the tables

- All figures in percentage and rounded off.
- Data for 2004 and 2009 based on the National Election Study conducted during the Lok Sabha polls.
- Data for 2006 based on a poll conducted by the CSDS in July that year.
- Data for 2007 based on the State of the Nation survey conducted by the CSDS in January that year.
- If figures do not add up to 100 per cent, it is because some respondents had no opinion.

