

**MODULE 25: RURAL DEVELOPMENT POLICIES AND PROGRAMMES IN
INDIA**

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Objectives	<ul style="list-style-type: none">• To understand the vision that dominated rural development policies in India• To understand various aspects of rural development policies in India.• To gain insights into the challenges and outcomes of rural development policies and programmes in India.
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MODULE 25: RURAL DEVELOPMENT POLICIES AND PROGRAMMES IN INDIA

Introduction

Being peripheral to the mainstream economy, the rural communities have benefitted very little from the growth and development occurring in the 'shining' enclaves in India. After six decades of Independence, agricultural growth remains anemic, farmers are trapped in poverty, the poor prefer urban slums to stagnant villages, and the rural communities lack basic facilities like schools and health centres. In a word, the policy making for rural development has largely been ineffective though, along with marketization, technological change and politicization of the masses, the policies for rural development have opened up the rural communities which are now confronted with new opportunities as well as risks. However, more resources and higher priorities for agricultural and rural development can become effective only if the current weaknesses in policymaking are identified and corrected. The sub-topics that will be discussed in this module include: The idea of village and rural development by Nehru; Rural development policies through the five-year plans; Rural development policies: A Critique, Rural development policy making: Need for a holistic approach.

Learning Outcomes

1. In-depth understanding of Nehru's vision for rural development of India.
2. Understanding of rural development policies and programmes in India through the five year plans.
3. Understanding of the need for changes in implementation of rural development policies.
4. Knowledge of short-comings in implementation of rural development policies and programmes.

Topic Name: Rural Development Policies

Sub-Topics: Nehru's Vision of Village and Rural Development; Rural Development Policies: A Brief History; Rural Development Policies and Programmes: A Critique.

Nehru's Vision of Village and Rural Development

Nehru's importance lies in the fact that he was the first prime minister of independent India and played a crucial role in shaping its policies and programmes for development. His comments on how rural India ought to be developed also reflect his notion of Indian village life. His ideas on the traditional Indian society are perhaps best spelt, out in his well-known book, *Discovery of India* (first published in 1946). Though Nehru's approach to the understanding of Indian past was historical in nature, he apparently looked at the 'old' social structure of Indian society from an evolutionary perspective. This is particularly so in his discussion on village and caste. "The autonomous village community, caste and the joint family", that he identified as the three basic concepts of the "old Indian social structure", had something in common with traditional societies in general as the organising principles were the same everywhere.

In relation to village panchayats and political spirit of the traditional Indian village, he reinforced the prevailing notion about the village society as having been economically stagnant and community-oriented but democratically organized. The traditional social structure emphasized 'the duties of the individual and the group' and not 'their rights'. However, he also emphasized that such a system of village republics had long degenerated into a society that was marked by various ills. There was a clear shift in Nehru's discussion on village life as he moved closer to contemporary times. He appears to have become more and more critical of the past structures, particularly of caste-based hierarchies, which, in his scheme of things, should have no place in modern societies. Thus, he saw no virtues in reviving the traditional social order.

This shift becomes even more evident as we move to his comments/writings on Indian rural society of the colonial period. Not only did he become more critical of the traditional social order but he also began to increasingly talk about the existing social and economic structures of the village society in terms of 'social classes'. The peasants/kisans and landlords were the two classes that he frequently made reference to. His writings clearly reflect a modernist attitude to the village class structure. He,

for example referred to the landlords as a "physically and intellectually degenerate" class, which had 'outlived their day'. On the other end, the peasants or "the kisans, in the villages" constituted the real masses of India.

Nehru wanted to transform the village social and economic structure by using modern technology and changing agrarian relations. The landlords and landlordism, in his scheme of things, would have no place in independent India. The policies of land reforms introduced after independence were a direct translation of such thinking. In addition, instead of celebrating the traditionalist streak among the cultivators, he criticized them for 'using outdated methods', and for being 'content with whatever little they produced'. He thought that modern technology was good for farmers. They could produce twice or thrice as much as they did if they learnt new techniques of farming.

Besides, Nehru saw industrialization as being inevitable. He opined that industrial development and urbanization would help in reducing the burden on land and therefore would be good even for those who would be left in the village. However, he did feel the need for a revival of handicrafts and cottage industry. He was aware that, the modern industry could not absorb all the surplus population, whatever may be its pace of development and the majority of people would have to be employed chiefly in agriculture. Thus, he supported the idea of the village and cottage industry in a big way.

Rural Development Policies: A Brief History

Community Development Programmes

It was only after Independence that rural development was given top priority. Objectives in this regard were spelt out in The Directive Principles of State Policy in Part IV of the Constitution. Pilot projects of Community Development at Etawah (U. P.) and Nilokheri and Faridabad (Haryana) provided valuable lessons in designing the Community Development Programme. So did the recommendations of the Grow More Food Enquiry Committee. The first five year plan clearly stated, 'Community Development' is the method and rural extension the agency through which the five-year plan seeks to initiate a process of transformation of the social and economic life of the villages. The Community Development Programme (CDP) commenced in 1952

was an integral part of the First five-year plan. It was a multipurpose and comprehensive programme which symbolized an integrated approach to rural development. It was a method of community education and mobilization, for within the broad framework of programmes, indicated at the national level, local communities on the basis of 'felt needs' had to determine their priorities, identify their programmes, work out solutions and exert to implement them. In this process, the community would be assisted by an external agency, be it governmental or otherwise.

At the central level, the CDP was entrusted to the Community Projects Administration set up within the Planning commission and headed by an administrator. Though the CDP was shaped and funded by the Central Government, implementation was through the state government's Developmental Commissioner who functioned as a coordinator since several departments were involved in the CDP. At the district level, there was the collector and the block administration consisted of the block-level officer, extension personnel, village-level workers (VLWs) and auxiliary staff. The operative mechanism for the CDP was the 55 community projects, each covering about 300 village communities which by October 1963, through the National Extension Service covered entire rural India.

By late fifties, it was realized that something was seriously wrong with CDP. Instead of promoting self-motivated, 'self-help' it continued to be not just official motivated self-help but a government's programme run by bureaucrats. With overriding concern for economic growth, people were side tracked and specialists came to hold the center stage. It was no more a people's programme but bureaucratic mobilization to fulfill targets set by the centralized planning. Periodical evaluation of progress of rural development on the basis of the CDP led to changes in two directions. Firstly, there was the shift in emphasis to economic development, especially agricultural production. Secondly, there was the broadening of popular participation for democratic decentralization.

Panchayati Raj Institutions

Panchayati Raj Institutions (PRI) were devised as a three tiered system of democratic institutions consisting of elected representatives at the village, block and district levels. The decentralized machinery of development administration was placed under

the control of the popular institutions. Though it was heralded as political revolution that brought democracy to the door steps of the people and ensured their participation in developmental activity, yet there is no clarity regarding the concept itself. Apart from this, these institutions are bound to be judged by the operational efficiency of their administrative machinery. It is here that the rub lies. Within five years, PRIs began to stagnate and soon to decline. The trend continued in the eighties and attempts were made to restructure and galvanize them into purposive action.

As with the CDPs here too, bureaucracy is dominant and powerful while the people's voice is feeble and often stifled. Given the extent of political factionalism, corruption, inefficiency, casteism and parochialism it is not surprising that PRIs have been described as caricatures of local government. Panchayati Raj is an institutionalized mechanism for rural development. Its twin objectives are therefore, development and democracy. In fact, it seeks development through democracy or at least an equilibrium between the demands of development and the pressures of democracy. Often, the state government, being constitutionally responsible for rural development, is not willing to decentralize but only to delegate. It therefore views Panchayati Raj largely as its agency, operating in its shadow and under its control. On the administrative front, the failure could be explained in terms of excessive centralized bureaucratic control as also the power-cum-development politics.

Agriculture and Allied Activities

It may be recalled that in 1959, the first team of American experts, through the Ford Foundation, submitted its report entitled 'India's Food Crisis and Steps to Meet it' It opined that efforts should be concentrated where results will be the greatest. Thus a new agricultural strategy was envisaged to step up food production. Through its report of 1963, the second team assisted in planning the Intensive Agricultural District Programme (IADP), the administrative mechanism for the new strategy. The third plan incorporated the IADP which was to be taken up in one district in each state. In 1964, the IADP concept was extended to other districts as the Intensive Agricultural Areas Programme (IAAP). The IADP in its extended and diluted form as IAAP failed like the CDP. The food problem assumed a new urgency in view of drought conditions. From 1964-67 G. Subramaniam, the Union Food and Agricultural Minister (1964- 67) evolved a New Agricultural Strategy which harnessed science

and technology to raise farm productivity. Agricultural universities and research centres were set up and agricultural scientists were involved in the IAAP.

These programmes, it was claimed, ushered in the Green Revolution. Nevertheless, there were administrative weaknesses. The BDO hardly had the requisite qualifications or experience, while the Village Level Workers had neither the time nor inclination for such work. Delays in execution, disappointment of beneficiaries and demoralization of functionaries are bound to flow from lack of delegation of adequate financial and administrative powers to lower level officials. Nevertheless, the IADP did take science and technology closer to the farmers and induced a perceptible change in their attitude to agriculture. The agricultural strategy of concentration of inputs in selected regions led to regional and class imbalances.

Benefits did not percolate to the real poor and led to tensions and conflicts in the countryside. Naxalism was and continues to be, an extreme manifestation of agrarian unrest. Based on this experience, the fourth Plan (1969-74) avowed to seek growth with social justice. The All India Rural Credit Review Committee (1969) stated: "If the fruits of development continued to be denied to large sections of the rural community, while prosperity accrues to some, the resulting tensions, social and economic, may not only upset the processes of orderly and peaceful change in the rural economy, but even frustrate the national effort to keep up agricultural production". Hence two schemes, one for small farmers and another for 'sub marginal' farmers and agricultural labourers were formulated by the Union Government. The administrative mechanism for the former was the Small Farmers' Development Agency (SFDA) and the Marginal Farmers and Agricultural Labourers Agency (MFLA) for the latter. The basic objective of the agencies was to raise the earning capacity of the target groups by identifying their problems, evolving appropriate programmes and devising the necessary institutional, financial and administrative arrangements for their execution.

Like SFDA which was one of the programmes, to rectify class imbalances the Drought Prone Areas Programme (DPAP) of the seventies was to take care of regional balances. Originally, the objective of the DPAP was to generate employment opportunities, its particular emphasis being on labour-intensive schemes. Since 1972, its primary focus was on development works. The administration of the DPAP and its

sister programme Desert Development Programme (DDP) is entrusted to the District Rural Development Agency (DRDA) of which the district collector is the chairman. It was feared that with the focus on the package of anti-poverty programmes, handled by the DRDA, the DPAP and DDP would suffer. The Task Force (1982) feared that, "A single machinery entrusted with the implementation of the IRDP/DDP will sometimes be constrained to make unsound compromises, to say nothing of the neglect that a technology-based programme has to suffer in such circumstances".

Anti-Poverty Programmes

In the first three Plans, the accent was on increased production so as to obtain a large investible surplus through the plan process. In the fourth Plan, the attention shifted to the weaker sections because it was realized that the gains of development did not percolate to the poor. The basic problem was how to achieve rapid growth with distributive justice. The 'area based' and 'target-group' approach was adopted and a number of programmes devised. The sixth Plan (1974-79) recognized that rural development should include agricultural development in its widest sense, so as to embrace, apart from crop production, all allied activities. This integrated development should encompass both spatial and functional integration of all relevant programmes bearing on increased agricultural production and reduction of unemployment. The Minimum Needs Programme was implemented on a massive scale during the fifth Plan.

Alleviation of rural poverty was the prime objective of the sixth Plan (1980-85) for it was found that small and marginal farmers who constitute over 70% of the land holders held barely 24% of the land and that the top 10% held as much as 51% of the assets while the lower 40% held barely 2.1%⁹ The programme of land reforms, started in the fifties, had made no progress. Regional imbalances were glaring and poverty was widespread and disconcerting. So the Integrated Rural Development Programme (IRDP) was started in October 1980. It brought together earlier rural development programmes which many a time operated simultaneously in the same area and for the same target group. This territorial overlap combined with different funding arrangements created problems of monitoring and accounting. Also schemes like National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Programme (RLEGP) were introduced.

The anti-poverty programmes of the eighties fall in two categories. - These are the self-employment generating schemes like the IRDP and wage-generating schemes like the NREP of 1980 and the RLEGP of 1983. NREP and RLEGP were brought together in 1989-90 under Jawahar Rozgar Yojana (JRY). Many of these above stated rural development policies and programmes have been repackaged in subsequent five-year plans till now. They can be broadly categorized today as:

- Affirmative action by way of reservations for scheduled castes and tribes in elected bodies, public sector jobs and educational institutions supplemented by special programmes, with earmarked allocations, for their development and welfare.
- Programmes (notably IRDP, TRYSEM, DWACRA) designed to help poor segments to acquire or add to their productive assets and enable them to make more productive use of such assets.
- Various special programmes to provide additional employment to the poor.
- Schemes to ensure that all villages have access to a minimum standard of educational and health facilities, safe drinking water and roads.
- Various forms of direct transfers by pension and insurance schemes for aged, disabled and widows, school feeding and child nutrition programmes and subsidized distribution of food grains and other essential commodities to the poor.
- Special programmes for the development of production potential for hill tracts, deserts and drought prone areas.

For the most part these programmes are conceived and funded by the central government which determines the criteria for allocation between states. s). Actual implementation is left to the state government agencies subject to guidelines (sometimes quite detailed) regarding the scope and content of schemes, and their targeting and implementation procedures. Only a few (notable being the Maharashtra Employment Guarantee Scheme and Tamil Nadu's Midday Meals Programme for school children) have been taken up entirely at the initiative of states.

Rural Development Policies and Programmes: A Critique

Over the years the functioning of rural development policies and programmes and their impact on the poor has attracted a great deal of attention. Numerous studies – several under the auspices of the government, and many more based on independent surveys, micro studies and analyses of available macro data – have highlighted their achievements as well as weaknesses. A healthy and wholesome feature is the extraordinarily free and open discussion of deficiencies of particular schemes, the relative merits of different interventions and suggestions for restructuring and reorientation. However, they have received strong critiques as well.

Official claims of the number of beneficiaries, works carried out, additions to productive assets and employment generated are unreliable and exaggerated. Poor targeting is reflected in the high proportion of non-poor and other non-eligible persons among the beneficiaries. Leakages due to inappropriate works, inefficient implementation and corruption are high. Quality of assets provided/created under these programmes is poor and their impact on income level of beneficiaries dubious. Assets and schemes are frequently not appropriate to the needs and potentials of particular regions or groups. There is little consultation with, not to speak of involvement of local communities generally and target groups in particular, in deciding and implementing schemes.

Lack of accountability remains a major problem. The structure, content, and funding of these programmes remain mostly in the hands of the central government. There is considerable overlap among these schemes as well as between them and development schemes included under the normal state plans. Typically each programme is administered by a separate agency each with its own line hierarchy and operating independently. These features, taken together with the rigidity of central guidelines, make for fragmentation and duplication of schemes. Coordination is difficult; so is monitoring of accomplishments in terms of efficacy of targeting, quality of works actually completed and impact on the beneficiaries.

The programmes tend to emphasize loans and subsidies and provision of current wage employment rather than ensuring that they are used to augment productive capacity for achieving a higher level of employment and income on a

sustained basis. The selection of beneficiaries, the distribution of loans and subsidies, and the recovery of loans offer much scope for patronage and corruption at the political and bureaucratic levels.

The public distribution system (PDS) does not accomplish its ostensible aim of ensuring essential consumer goods to the poor at reasonable prices. Large parts of the country (especially states which have the largest concentration of poor) simply do not have a distribution network to reach the supplies where they are most needed. In states (Kerala, West Bengal, Tamil Nadu) which have such networks, the coverage is not limited to the poor. And attempts to ensure better targeting have been thwarted by administrative difficulties and political opposition. The efficiency of PDS as a poverty alleviation measure and the desirability of continuing it in the present form is being questioned. Supporters of PDS, who see it as a major instrument for ensuring food security for the poor, strongly oppose this prescription even as they recognize the need for restructuring the programme.

These widely known and documented deficiencies have given rural poverty alleviation policies and programmes, a bad name. Critics argue – some explicitly and more by implication – that the effective contribution of these schemes to sustained poverty reduction is not commensurate with the resources spent on them. That given the high level of fiscal deficits and the severe shortage of resources for infrastructural investments needed for overall growth, the country can ill afford this luxury.

Summary

Nehru's perceptions of Indian villages and his vision of rural development predominantly guided the rural development policies and programmes during the early part of planning period in independent India. The major focal points of this vision were: increasing the agricultural productivity through use of modern technology; changing the agrarian relations through land reforms; and revival of cottage industries.

Rural development policies predominantly aimed at government and administration's central role in development which was evident in the implementation of CDPs. However, the increasing failures due to political and bureaucratic corruption brought forth the idea of democratic decentralization to capture people's felt needs.

Thus, PRIs were introduced as mechanisms for guiding rural development policies. In addition, many poverty-alleviation programmes were introduced for the adequate development of rural India. Over the years, in the subsequent five-year plans, introduction of many new programmes and revision of existing programmes took place as part of rural development policy.

However, many of these programmes have received strong criticisms for ineffective implementation due to a variety of reasons. Some of these are high proportion of non-poor and other non-eligible persons among the beneficiaries; leakages due to inappropriate works; inefficient implementation and high corruption; quality of assets provided/created under these programmes is poor and their impact on income level of beneficiaries dubious; assets and schemes are frequently not appropriate to the needs and potentials of particular regions or groups; little consultation with local communities generally and target groups in particular, in deciding and implementing schemes.

