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TRANSFORMING THE RURAL POOR;  
THE BIG PUSH REVISITED

by

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## TRANSFORMING THE RURAL POOR: THE BIG PUSH REVISITED

### I

It has been two decades since Leibenstein put forth arguments for a "big push" to promote development in the developing world. Theories of circular causation of poverty, on the basis of which the big push is advocated, date back even further (Myrdal, 1944; Nurkse, 1953). The necessity of a critical minimum effort to break the vicious circle of poverty is taken as self-evident by economists. Upto a point, this influenced the practical planners as well, so that the big push got translated into the big plan.

A variety of factors seem to have turned the arguments against such a strategy at the moment. Principal among them is the continuance of pervasive poverty in most of the Third World in spite of even vigorous attempts at planning, such as in India. Rather eloquent pleas such as those of Schumacher and Illich have brought currency to notions such as "small is beautiful" and "an autonomous mode of production". In India, the political upheaval of 1977 brought in its wake a so-called resurgence of Gandhian ideas, whereby the official thinking seems to favour the 'cottage' or the 'tiny' sector.

If the changes were only at this level, one could accept them as a part of the essentially political process of planning. They have, however, gone somewhat beyond this stage. Many scientists and technologists in the Third World have shown an admirable concern for the use of their knowledge and skills in helping transform the rural poor. At the same time, they have shared the rather apprehensive concerns of their counterparts in the industrialised societies regarding the uncontrolled growth of technology. The result in some cases at least has been the espousal of rather naive half-way house measures, or at the extreme, among some of the more outspoken young technologists, the development of what amounts to an anti-technology bias.<sup>1</sup>

This, to say the least, is alarming. We have not heard arguments against the inherent logic of the big push. What we have is the fact that a pursuit of the big push is not free of dilemmas and that the process of giving the big push is by no means an easy one. This, however, does not negate the logic of the big push. To the contrary, Myrdal's plea is even more valid today: "Too often the discussions of the 'big push' are confined to economic factors. Instead, this idea must be extended to all parts of the social system. The big push must jerk the whole system out

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<sup>1</sup> Many examples of this can be cited. For brevity, let us mention only the bullock cart (see especially the criticism of Naipaul, 1977). This will be discussed in a subsequent section of this paper. Discussions with many a young engineer displaying otherwise praiseworthy social concern give rise to the latter fear in the mind of the writer, himself a lapsed engineer.

of the grip of the forces of stagnation. Unless conditions are changed by specific, powerful, and co-ordinated efforts, they will not change at all or perhaps change in wrong direction" (1971, p. 441).

In this paper, I propose to re-examine the logic and relevance of the big push in transforming the rural poor. Section II of the paper deals with the circular causation of poverty and the arguments in favour of a minimum threshold of efforts to break it. While it is conceptually not a neat division, for the sake of convenience, in section III, I shall concentrate on the economic relevance of the big push and in section IV, on the non-economic necessity of it. The concluding section sets forth the dilemmas in pushing big and a few tentative formulations of what might lead to the big push.

## I I

Myrdal, inquiring into the cause of poverty of the American negro (1944, Chapter 3), has proposed what is perhaps the most worthwhile of developmental hypotheses: the theory of the now ubiquitous vicious circle, or as he has since modified it (1968), the theory of the vicious spiral. Nurkse gave the concept wider currency in his works on capital formation in underdeveloped countries (1953). The circular causation hypothesis not only manages to do what it sets out to do, namely, explain the causes of underdevelopment, but also manages to suggest some of the basic

solutions, such as the big push theories. Although the original proponents of the vicious circle theory did not imply them, the roots of some major controversies in the field of development could be traced to it.

Put very simply, the vicious circle sounds either trite or tautologous: the poor remain poor (or, to use the vicious spiral, get poorer) because they are poor. What is implied here is a low-level economic equilibrium which perpetuates itself into stagnation. It is, however, possible that instead of the equilibrium, a cumulative process, either downward or upward, can take place and herein lies a possible strategy for development. Quite apart from its economic significance, this theory has intrinsic logical worth inasmuch as it tries to expound the causal interdependence among the various social factors. A large number of economists have tried to explain various particular aspects of underdevelopment in terms of circular causation since the first formulation of the hypothesis. It is not my purpose to examine all these attempts, even cursorily, here; I am concerned with showing the wide applicability of the basic hypothesis. Suffice it to say that circularity hypothesis has been successfully used to explain the low-level equilibrium in such 'non-economic' sectors as education also (Myrdal, 1968, pp. 1844-47)

The logical extension of the low-level equilibrium is the cumulative process. As Nurkse puts it, the constellation of the circular forces is not unbreakable, and, because of the very circular relationship, once the circle is broken, a cumulative process starts. Hence, for a developmental process to start, efforts must be made to break the circle. The

possibility immediately arises that the random changes that occur in every system should then be able to start a cumulative process. Why does this not happen in all instances? The possibility of existence of certain thresholds suggests itself as an answer to this difficulty. We can therefore argue in favour of a critical minimum effort of the type Leibenstein (1957) suggests. The next question that presents itself is where exactly is this effort to be applied? And we begin stirring the hornet's nest of balanced vs. unbalanced growth. Thus we see that the vicious circle goes beyond merely explaining the development, or the lack of it, in the society.

It would be quite erroneous to assume that once the circle is broken, all the changes occur in the same direction. Indeed, it is quite likely that primary change in one direction will induce changes in the opposite direction and the system will eventually gravitate towards another equilibrium. The classic Malthusian trap is an example of this. A more elegant variant is Leibenstein's theory, wherein he investigates the stability of the new equilibrium; to get past the new equilibrium, the rate of investment should be such that rise in incomes will outpace the rise in population. Again, on the basis of this, we can see the necessity of the big push to the economy to break loose. This analysis brings out clearly the existence of conflicting forces. For a sustained growth, sustained effort seems necessary, even after the so-called take-off stage.

Implicit in the above discussion of the equilibrium and counter-acting forces was the assumption that while small disturbances give rise to self-correcting forces that restore the equilibrium, changes beyond a certain magnitude lead to a cumulative process. Thus, there exist thresholds at which the degree of sensitivity to changes or the counteracting forces are weakened. This seems consistent with the basic circularity hypothesis; it also suggests a strategy for development.

If the country is to embark upon a successful development path, then the threshold must be overcome, ie. a certain minimum effort must be applied. A brief discussion of the counteracting forces would be appropriate here. A basic inertia in attitudinal and institutional responses characterises a typically underdeveloped country. Additionally, a marked increase in the birth rate, occurring independently of the developmental effort, is also observed. A worsening international trade balance is felt by most of the underdeveloped countries. There may be additional secondary forces released by the efforts to develop, such as a fall in the mortality rate, a change in attitudes towards manual labour as a result of a half-baked educational policy, and so on. A programme for development is marked by the existence of complementarities and indivisibilities, both technological and institutional, such as the needs for social overhead capital, need for technical and other training of the personnel etc. To fully exploit these, some minimum effort is needed. Unless this minimum effort is applied, the hoped-for increasing returns to scale will not materialise.



It is perhaps paradoxical to observe that most underdeveloped countries lack the resources to finance a plan that would incorporate the minimum effort, but this is the reason why the plans have to be ambitious in size. Higgins realises this when he speaks about India's Second Plan (1956-61): he admits that the plan may have been too ambitious in terms of the available resources in 1956, but in terms of the needs of the country, it was too modest. He expresses the fear that if the plan were to be abandoned for lack of resources, India may have missed her opportunity to take off into the optimal growth path (1959, p. 730).

Other connected solutions are concentration in terms of regions, time and sectors, as far as the application of the effort is concerned. This gives rise to the controversy of balanced vs. unbalanced growth. Economists arguing in favour of unbalanced growth clearly have an edge. In 1928, Young proposed a growth path made of a chain of disequilibria. What the proponents of balanced growth argue for is a shift from the existing low level equilibrium to a higher equilibrium. Development, however, is a continuous process, generated and sustained by a series of disequilibria (the disequilibria are necessary to provide a driving force for the process of continued change; this is just as true of a socio-economic process as it is of a physio-chemical process). Hence the aim of the planners might well be to generate productive disequilibria by a series of autonomous investments injected into the strategic sectors of the economic structure, leading to further investments. This in essence is Hirschman's argument in favour of unbalanced growth (1958, Chapter 5).

The arguments in favour of unbalanced growth have wide-ranging repercussions. International trade, and therefore, the controversy of diversification vs. comparative advantage is closely linked to this. Thus, if a typically underdeveloped country were to exploit its comparative advantage, then it would be advisable for the economy to concentrate on the primary sector; the unbalanced growth theorists, however, propose an in-depth protectionist policy for underdeveloped countries. This is particularly relevant to large underdeveloped countries, with a heavy population pressure. We also get into the related controversy of favouring industry vs. agriculture. Hirschman prefers manufacturing industry to agriculture, not because it is more productive, not because there are divergences from the optimum and deviations from the balanced growth path, but simply because it is likely to be a more powerful generator of induced investment through the vertical linkages effect. Thus, manufacturing has dynamic effects in stimulating development and is to be preferred to agriculture. This is perhaps the most striking factor in favour of the unbalanced growth arguments: that they advocate a dynamic consideration of the phenomenon of development.

I must hasten to conclude this section by including a reservation: comprehensive efforts aimed at development of a country which encompass a number of activities, economic and non-economic, must be based on a factual knowledge of the institutions of the country. To this extent, a priori preferences for one sector or the other, such as those of Hirschman's,

are not warranted. It must be emphasised that the big push or unbalanced growth arguments are not synonymous with plans for capital-intensive industrialisation. As I will argue in the next two sections, the big push arguments present themselves as logical choices even when we discuss remedies within the agricultural or the rural milieu.

### III

What are then the facts of institutions, economic and non-economic, that we have in India, before the relevance of the big push can be established? This is the by-now familiar pattern of pervasive poverty. Methodological sophistications apart, even the most optimistic writers have not been able to deny at least a continuation of the same proportion of people below the poverty line throughout the plan periods (Minhas, 1974), while the pessimists have argued that this proportion has actually increased (Bardhan 1970; Sambrani and Pichholiya, 1975). Factors responsible for this poverty fit so neatly into the circular causation hypothesis as to almost make one believe that they were invented for this purpose! Several empirical studies have highlighted these issues and described the realities obtaining in specific areas (The Centre for Development Studies, 1975; Gopinath et al 1978; Sambrani and Pichholiya, 1975; Vyas et al 1976).

Since the bulk of the rural poor do not possess any assets to speak of, no skills that are in demand, the only hope of their economic transformation lies in creating employment opportunities for the unskilled. As we all know, this is easier said than done. If the description

of poverty in India makes a dismal reading, the cataloguing of employment possibilities makes it even more so. After a scrutiny of possibilities, Vyas and Mathai have recently concluded that:

Limited possibilities of employment in agriculture<sup>2</sup> and even more modest opportunities in the organised industrial sector leave the only option of augmenting non-farm employment in rural areas. Mainly two sets of activities can provide the opportunities of gainful employment for the burgeoning rural work force in the non-farm sector. These are (a) creation of a public infrastructure and (b) the establishment of rural industries (1978, p. 341).

Leaving aside the question of defining rural industries for the time being, this conclusion should be acceptable.

And what has been the policy response so far? Until the Fourth Plan (1969-74), employment generation was not explicitly recognised as a plan objective although it was considered a desirable goal (Sambrani and Pichholiya, 1975, pp. 8-19). The Fourth Plan saw the formulation of schemes meant specifically for the rural poor with a weak resource base, such as the small and marginal farmers (SFDA-MFAL), areas with specific problems or potentials, such as the hills, the command of irrigation projects, or tribal belts, and those aimed at creating employment, such as the crash scheme for rural employment (CSRE) (later modified and incorporated into the drought-prone areas' programme, DPAP) and the pilot intensive rural

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<sup>2</sup> The authors do point out, however, that "the possibilities of gainful participation of labour in [irrigated agriculture] are higher, though not overwhelming". (p. 345).

employment project (FIREP). With modifications and rationalisation, and in the case of DPAP, emphasis, all of these were continued into the Fifth Plan, which has just been terminated.

The approach in most such schemes is similar. A target group is identified, usually a small fraction of those belonging to the generic category in an area, and "comprehensive" programmes are drawn up for their upliftment. Quite often these fractions are miniscule; CSRE, for example, had the modest objective creating 1,000 jobs in 10 blocks: SFDA sought to cover no more than 50,000 farmers in a district, which, on an average, should have at least three times as many small farmers. Further, the planned activities are phased over a period of five years.

Such an approach cannot work. At the outset, there are definition and identification problems in a selective approach. Then there is the moral dilemma of selecting from among the eligible list. Even if these could somehow be overcome and the project were to be effectively implemented, a significant dent in poverty cannot be made. This can be illustrated through an empirical situation.

We had undertaken a study of Panchmahals (Sambrani and Pichholiya, 1975), a tribal and hilly district in Gujarat, which happens to be one of the most backward areas in the state. Our survey showed the district per capita income to be 10 per cent below the poverty line then prevailing. Taking into account the distribution of work force, the distribution of incomes, the number per family in the employment market and the prevailing

minimum wage guidelines, we estimated that over 1.5 crore man-days of wage-paid additional employment will be needed per year for the district so as to raise the per capita income to the poverty line.<sup>3</sup>

We identified housing construction, well-digging and soil conservation as activities which have high direct and indirect employment possibilities for people with relatively low level of skills, on the basis of studies of these activities. Data regarding investments and employment were collected from on-going projects under comparable conditions.

Table 1 shows the scale of activities and the investments that would be needed to provide these many additional man-days of employment, if they were to be provided by that activity alone. The investment requirements vary between about Rs 6 crore for soil conservation to about Rs 21.5 crore for housing construction.

Table 1: Scale of Activities Necessary to Provide Subsistence Income of All Households in Panchmahals District

Activity	Employment to be generated	Investment required, Rs. lakh	No. of units achieved through the investment
Housing	1,52,78,264	2,148.53	1,71,139 houses
Well-digging	1,52,78,264	818.46	10,230 wells
Soil conservation (contour bunding)	1,52,78,264	661.13	4,07,420 hectares

<sup>3</sup> Our estimate of about 1.5 crore man-days needed to bring incomes to the poverty line is comparable, within the limitations of survey research, to 1.2 crore man-days estimated by a committee of the state government set up to prepare a design for the right-to-work programme.

The scale of activities suggested by Table 1 is indeed beyond what would be contemplated in a year in the course of normal development. A comparison is provided by the expenditure in the district for the Fifth Five-Year Plan. The state government recommended a total of about Rs 25 crore, of which agriculture was to get Rs 11 crore and social services, Rs 6 crore.

It must be pointed out, however, that expenditure for soil conservation and well-digging are not necessarily recurring. In the case of the former, two years after the completion of the work, and in the case of the latter, immediately after the activation of the well, there would be no further need of investment for providing these many additional man-days, since they would then provide an almost equal number of man-days of on-farm employment.

It would be unrealistic, given the way projects are formed, to expect that either 10,000 wells could be dug or 4 lakh hectares could be bunded in a year under the present circumstances. Even over a five-year period these targets would be overambitious. If a combination of equal proportions is contemplated, 5,000 wells and 2 lakh hectares to be contour-bunded would emerge as targets for the five-year period. From our discussions with the district officials, it appeared that soil conservation and well-digging targets appeared to be at least twice as great as the possible figure.

Table 2 shows the implications of contour bunding of 40,000 hectares and digging 500 wells annually in terms of the employment potential and requirements. We see that with such a gradual programme with an annual investment of Rs 1 crore, at the end of the eighth year, there is still over a third of the employment requirement left uncovered. If the investment is continued beyond the fifth year, it would require a continuing investment for another five years before the entire employment requirement is met.

**Table 2: Labour Utilisation Pattern According to Phased Programme**

Total man-days of employment required: 1,52,78,264  
 Annual target: 40,000 hectares under bunding over 500 wells  
 Annual expenditure for 5 years: Rs 1 crore

Year	Man-days of employment provided (Cumulative in				Employment needs left uncovered (man-days)
	Well-digging		Soil-conservation		
	Direct	Ongoing	Direct	Ongoing	
I	7,46,680	--	15,00,000	--	1,30,31,584
II	7,46,680	6,00,000	15,00,000	--	1,23,31,584
III	7,46,680	12,00,000	15,00,000	--	1,18,31,584
IV	7,46,680	18,00,000	15,00,000	13,33,320	98,98,264
V	7,46,680	24,00,000	15,00,000	26,66,640	79,64,944
VI	--	30,00,000	--	39,99,960	82,78,304
VII	--	39,00,000	--	53,33,280	69,44,984
VIII	--	30,00,000	--	66,66,600	56,11,664

From the above analysis it becomes clear that what had been contemplated as a short-run strategy does not remain so, by the sheer force of numbers. If we base our strategy design simply on what is con-



sidered feasible, a phased, gradual programme requiring an investment of Rs 1 crore a year, would take ten years to cover the current income deficit. For these ten years, large gaps will continue to remain and additional demands from an increase in the population will have to be met through other factors, such as the possible industrial development of the area and the use of improved agricultural technology, the possibilities for which are rather limited.

The conclusion of the above discussion cannot be brushed aside: there is no alternative to a concentrated, major effort to combat poverty. The poverty in the region seems to be resulting from structural factors and is endemic. It seems to show all the signs of following the classic vicious circle. It would therefore, become necessary to use the big push to break this circle.

Similar situations prevail in other poverty stricken areas under other projects. In a study of DPAP in Jhabua in Madhya Pradesh, Srivastava observed:

The lopsided allocation of DPAP funds at the district level between various sectors need to be corrected. No sector should be included under DPAP unless a reasonable minimum amount is to be spent on that sector. For example, the allocations for animal husbandry schemes were so small that no impact could be made on the area (1976, p. 112).

Gopinath et.al. have this to say about PIREP:

The magnitude of unemployment in the block as revealed by the unemployment survey and the registrations was substantially higher than what was originally assumed ... The administrative, technical, and executive support systems available for PIREP were not capable of formulating and implementing projects of a multidisciplinary nature and of a large size. Consequently, PIREP had to remain satisfied with the limited task of initiating a large number of small schemes (1978, pp.57-58).

Like a stuck record, all of this veers round to the necessity of the big push to transform the rural poor.

#### IV

As Myrdal has pointed out, the big push arguments are valid even for non-economic factors. One obvious necessity for the big push is provided by the existing nexus of economic and political power in the rural areas, which has stood in the way of an egalitarian distribution of the spoils. Further, in the Indian context, the particular history of the development so far itself necessitates such a big push for the rural poor to obtain collective consumption goods such as education and health facilities, in addition to the obvious economies of scale in their provision. This is either not generally realised or not explicated for the fear that it might earn its proponent undeserved opprobium. Our development strategies have favoured the urban sector over the rural either systematically, or through default.<sup>4</sup>

Our cities have grown quite out of proportion to the rate of industrialisation. Not only have the necessary workers migrated to the cities, but also others in search of a better life. Studies on migration have indicated that even those with a land-base and a place in the rural hierarchy have come to the cities. They crowd the congested slums and vie for such limited amenities as the city can offer, concluding, rightly as it happens, that even this is better than what they left behind.

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The burgeoning cities still account for far fewer people than do the villages, but those in the cities are characterised by a degree of organisation. When they justly demand a better life, they are not necessarily given a higher share of the industrial production to meet these demands. Instead, an elaborate edifice is built up which tries to satisfy their demands by keeping the prices of their necessities low. Cheap food will be available because of low procurement prices, or subsidies to consumers, or a combination of these. Bare minimum housing, schooling and medical facilities are provided - which are still more than their counterparts in the rural areas - again through subsidies or public investment. This reduces both farmers' incomes and funds available for investment in rural areas. The burden of such socially desirable schemes as minimum wages for farm labour is passed on to the farmer.

I am not suggesting that the urban poor are better-off than their rural brethren; sadly, however, whatever marginal gains they have made are inevitably and unwittingly at the expense of the rural poor. In a situation of various poor groups competing for the limited resources, those that are organised are in a virtual but unintended position of being exploiters of the unorganised. In our country, this happens to be the relative dynamic of the urban and the rural poor. Regrettable, because no one would like to call an urban blue-collar worker an exploiter of the small farmer, but the effect is the same.

If agricultural incomes can rise only with a better risk coverage and better use of resources by exploiting the economies of scale, it should follow logically that some consolidation, cooperativisation or even collectivisation of lands must take place. We have to realise that the landed poor may continue to be poor as long as their attachment to that small, fragmented holding remains intact. Further, they will not have any power to demand their fair share so long as they are disorganised and small. In other words, their landholding in the present form could be considered to be a more a liability than an asset. The new agricultural strategy must then aim not solely at the redistribution of land and supply of extension and inputs to countless atomised farms - this is essentially a limitless process, fraught with limited results at best. We must concern ourselves with a basic reorganisation of land use.

These thoughts are neither original nor new. They have been voiced earlier but have been dismissed as impractical in our situation. I had argued in 1974 that a group of tribal farmers managing the same resources together instead of individually would be better-off. Several recent phenomena prompt me to repeat these arguments.

Firstly, a recent empirical study by Gaikwad turned up evidence which clearly identifies risk-bearing ability as the critical constraint even in the cultivation of irrigated plots by the small and marginal farmers. Secondly, a respected agricultural administrator of over 30 years' field experience, who has single-handedly worked wonders in a remote north-

eastern state, remarked that only land consolidation can work in India. Thirdly Dantwala indicated in a conversation recently that some voluntary land consolidation was taking place in certain areas of Bihar where bank-financed minor irrigation programmes were implemented.

The crucial factors then, in providing all these facilities, which can help to transform the rural poor, are considerations of the collectivity of rural poor and their organised voice in the political process of planning. After conducting an action research project for the development of the rural poor, Gupta raises an agonising question:

Supposing we find that to ensure a threshold income and facilities to the poor some viable organisation of the poor, militant or otherwise, is needed, could we take the risk of promoting such an organisation? (1978, p. 38).

How does one even attempt to answer this, save through some variant of a big push in organisation?

V

The arguments for the big push beg an immediate question: does a poor country have the resources to mount an effort which will be critical enough to transform all its poor? The question is rhetorical since the answer is obviously in the negative. This is the crux of Higgins' comments referred to earlier. Secondly, it is politically convenient to take up a number of smaller schemes, spread over wider areas, than to opt for larger, more concentrated projects. Are we then doomed to no development, since

as has been argued above, gradualist and selective approaches will not work ? This is indeed a cruel dilemma for development planners.

It would seem to me that since selectivity is inevitable, it must be exercised at the level of selecting areas and no further. The efforts required for the development all the poor of the area as a whole must be reckoned. Regions can be selected in accordance with priorities (which again need to be set through the political processes) until the available resources are used. An imbalance will be undoubtedly created, but this may well spur development than hinder it.

The very scarcity of resources should turn our thinking to their efficient use. The term efficiency has both economic and technological connotations.<sup>5</sup> The relevant economic concept to use is not the orthodox allocative efficiency favoured by the classical and neo-classical thinkers, but the X-efficiency advocated by Leibenstein (1966). This latter includes aspects such as incentives, motivation, demonstration effects and interventions, rather than allocation of resources under competitive conditions. As he concludes:

Two general types of movements are possible. One is along a production surface towards greater allocative efficiency and the other is from a lower surface to a higher one that involves greater degrees of X-efficiency. The data suggest that in a great many instances, the amount to be gained by increasing allocative efficiency is trivial while the amount to be gained by increasing X-efficiency is frequently significant (p. 413).

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<sup>5</sup>The scope of this paper does not permit a full discussion of technological choices, nor a definition of an "appropriate" technology. To tie some loose ends together, however, I have posed a few tentative questions in this regard below.

Both these concepts of efficiency, however, presuppose a technological efficiency. Economic efficiency concerns itself with how cheap or expensive a mode of production is.<sup>6</sup> Technological efficiency would talk about the physical conversion processes: the ratios of physical outputs to physical inputs. I should like to conclude this paper by arguing that we have no option of tolerating technological inefficiencies, that is, we can afford to choose only those technologies, agricultural, industrial or otherwise, which offer us the best conversion ratios.

Arguments in favour of the big push lead us inexorably to the exploitation of technological advances and economics of scale. Some of the arguments in favour of the so-called intermediate technologies and total decentralisation even for mass-consumption articles smack of toleration of technological inefficiencies. As Naipaul (1977) has observed and as Lord Snow indicated in his lectures in 1976 in India, those who advocate a limited use of technology are precisely the ones to have benefitted the most from its application. Do we have that freedom? For example, can we produce cloth in the unorganised sector that matches the durability and the cheapness of the mass-produced textiles?<sup>7</sup> Why then can we not think

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<sup>6</sup> Obviously, prices of resources will not be the same in allocative and X-efficiency considerations.

<sup>7</sup> Sen (1962) and Galenson and Leibenstein (1955) have concluded that except in the short run, the organised sector of textile production has in fact higher employment potential per unit of investment than the unorganised sector. These basic arguments have not been effectively countered, to the best of my knowledge. There is, of course, the problem of where this employment is generated and when.

of reserving the mill-produced cloth for mass consumption and export the handloom variety, rather than its reverse? No matter what improvements we bring about in the bullock cart, can it ever match the speed and the carrying capacity of mechanised vehicles at comparable costs? Why can we not think of technological and institutional innovations which will provide cheaper mechanical means of power and conveyance to a large mass of people and, simultaneously, undertake programmes that will reduce the cattle population to an economically justifiable and supportable level?

There is no gainsaying that without new approaches, the problem of poverty will not even budge. The new approach is, however, not turning the clock back. We must think that in another 22 years, we shall be in the twenty-first century and that we must all get there, the poor and the rich, the politician and the voter.



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