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A CRITICAL APPRAISAL OF PAST
STRATEGIES FOR RURAL DEVELOPMENT
IN INDIA

By

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I

Past Experiments

Rural development has been in and out of fashion many times. Once again it is in. This time it is expected to be integrated.

Generally, while attempting a critical appraisal of rural reconstruction one is expected to refer to early experiments. The names are well-known, though few scholars have first-hand knowledge of all these experiments. These are: the Sriniketan experiment of Rabindranath Tagore around 1920; the Martandam project of Spencer Hatch of the YMCA in 1921; Brayne's Gurgaon experiment in 1920; Krishnamachari's Baroda Rural Reconstruction movement in early 1930s; Gandhi's various experiments, especially Champaran (1917) and Sevagram (1936); the Firka Development Scheme in Madras State initiated in 1946; Albert Mayer's Etawah Pilot Project of 1947-48; and, lastly, the Community Development Programme (CDP) initiated in 1952, to which I will draw attention later on.

All these experiments were conducted during the colonial rule. During the last couple of centuries, Indian thinking was at its lowest

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ebb; especially on economic issues it was both narrow and shallow. There were many social reformists but, on economic matters, there were no giants. To top this intrinsic limit, British rule did not naturally encourage any ideas or experiments that hurt its basic interest in keeping the unorganized rural population under subjugation and exploiting the natural and human resources of the colony for the benefit of the metropolis. The aforementioned experiments, therefore, had these two strikes against them to begin with.

The common features of these experiments were that:

1. They all treated the village as a unit of change and economic development;
2. All changes and developments were expected to take place within the narrow framework of the existing village social organization and structure;
3. Self-help was emphasized;
4. The programmes adopted in these experiments were by and large pertaining to agriculture development, health, hygiene, sanitation, village craft, and marginally, household industries. Gandhi, by far the most far-sighted of all leaders, laid emphasis on cooperative activities, village panchayat, removal of untouchability, and development of rural industries;
5. There were many naive assumptions. For example, it was thought that self-help in keeping village roads and ponds clean, or in construction and repair of one-room school building or approach roads

would greatly improve the quality of life. It was thought that digging of compost pits, a little more discipline in production process such as line sowing, and destruction of rats would strengthen the farmers' economy to such an extent that they would successfully face the onslaught of both exploitative forces and frequent natural disasters plaguing Indian agriculture like droughts, floods and pest attack.

A number of these experiments were initiated by well-meaning urbanites who strove for the uplift of rural areas. The leader concerned and his close associates often showed deep emotional involvement in the cause. This was on account of romantic ideas regarding the simple, harmonious rural life, whose very poverty conferred virtue upon it. The leaders were also affected by the guilt of the urban intelligentsia at being a part of the exploitative structure, albeit unwitting and passive. Together, these resulted in an enthusiasm for rural reconstruction among such people not unlike that of the Narodniki of the Czarist Russia. Because of this zeal and the ever-present margin for some improvement in any situation, these experiments achieved some measure of success in the initial period. However, the success was limited to the experimental area alone, and that too, for a short period. There was no diffusion to the surrounding areas. None of these experiments could have a lasting impact on the socio-economic conditions and culture of the rural communities. In the absence of concrete, substantial economic benefits, the emotional appeal alone could not motivate the people for long to change their way of life and outlook. The leaders of these experiments generally left the scene after the

initial success and publicity. The financial support --- leaders' own or generated from public donations --- also generally stopped simultaneously. Afterwards, the work was either carried on for some years by hired hands in a routine manner, or the experiments were terminated.

In short, all these experiments are, at best, poor examples of rural reconstruction, considering their narrow and shallow base of thinking, and poor and transient impact on the economy of the intended beneficiaries.

It is said, one can always learn from the past mistakes. But have we? Let us examine the record.

Immediately after independence we had CDP based on Mayer's Etawah project, which had the characteristics discussed above.

We experimented with CDP for nearly 25 years. The persistence of rural poverty questions the very relevance of the CDP approach to the present environment. And yet, the present design and approach of the rural development programme, even of the integrated type, is in no way different from that of the CDP.

One wonders about the compulsions that have prevented us from learning from the past mistakes.

II

The Thinking from 1952 Onwards

Rural development, even of the integrated type, is a recent substitute for community development, a term introduced in 1952 as a substitute for such others as rural development, rural reconstruction, and rural upliftment. Community development itself has remained an enigmatic concept even after 25 years of operation and countless books and articles. Most of the early literature on CDP reflected the emotional appeal, excitement and euphemisms generated by CDP. All the writers had a tendency to eulogize the programme, extol its virtues, glorify small achievements, overlook its genesis and inherent weaknesses, and blame the bureaucracy for its failures. The publicity the programme received through speeches of national leaders, seminars, conferences, workshops, symposia, training programmes, and especially, writings of foreign scholars, swept the academic world as well. Many academicians joined the bandwagon and vied with each other in praising the programme. Among the ambitious administrators (both national and international), foreign promoters who formulated and financed the scheme, and the enterprising researchers looking for invitations for trips abroad and grants to support further useless research, there was little inclination for a critical examination of the basic assumptions.

These critical observations on the CDP are deliberately presented here, for the characteristics of recent literature on the new fashionable rural development in India and in other developing countries are similar to those of the early literature on CDP in India.

The Three Models*

At the formative stages of the First Five-Year Plan, three models were available to the planners for improving the economic condition of the rural people.

These were:

The Nilokheri township experiment

The Etawah Pilot Project

Cooperative farming

In approach, programme content, organization, and financial outlay, these three models differed very much. Nilokheri tried to build new settlements (small townships) of refugees in rural areas in which new organizations of people were developed for industrial production oriented activities.¹ Its primary focus was on vocational training and industry. Cooperative action for industrial production and trade activities were encouraged. State functionaries were directly involved in industrial-production oriented activities. As Nehru then observed, the ultimate idea was to build thousands of such new, industry-oriented small townships in rural areas all over the country. These

* This part of the paper is based on author's report Community Development in India, (Submitted to UNESCO in fulfilment of the Contract No. 9381 ROK/51, dated 13 October 1975), September 26, 1977, pp. 219-225.

¹ Government of India, Ministry of Agriculture, "The Nilokheri Experiment" in Evolution of Community Development Programme, in India, 1973, pp. 82-9.

township were to be linked with the surrounding villages and were to provide necessary social services and amenities. In the village school, subjects like agriculture, animal husbandry and local craft were to be taught. The basic concept was to stop the one way traffic of labour, material, skills and culture from villages to town. To do so, a decentralized administration and a decentralized economy were suggested. It was hoped that such an approach would eventually lead to an agro-industrial economy as the basis of future economic pattern of the country

In the Etawah experiment², on the other hand, the major emphasis was on the traditional economic activity, agriculture. In approach, it was somewhat similar to other rural reconstruction experiments conducted in India before independence. It tried to introduce changes within the framework of existing village social organizations and structure. For economic development, the focus was primarily on farmers and on better farming. Collective and community actions were undertaken for such welfare activities as construction of village approach roads, school buildings, and village panchayat halls, village hygiene and sanitation. There was, however, no emphasis on collective or cooperative action for any economic activity including agriculture. Some marginal efforts were made to involve people in running brick kilns. An important

2 Mayer, A., Pilot Project in India, Berkeley: University of California Press, 1958; see also, Nair Kusum, Blossoms in the Dust, London: Gerold Duckworth, 1962, pp. 77-78.

element of the Etawah model was the elaborate administrative structure covering all levels of government administration -- state, district and village.

The third model for rural development was cooperative farming. This was favoured by Gandhi. He envisaged it as a force to change the face of the land and banish poverty and idleness from the peasants' minds. In various quarters, it was recognized that the pace of land reforms was not quick enough to alter the structure or size of farms, and that cooperative farming would improve the efficiency in agricultural production. The First Plan document indicates that in 1950 there was a general acceptance of cooperative farming at the policy-making level.³

The concept of cooperative farming was fundamentally different in its approach to rural development from the Nilokheri and Etawah models. The primary and the most crucial element in this model was the reorganization of the unit of agricultural production.⁴ Its primary approach was to enlarge this unit and to develop new cooperative organizations to manage the pooled land.

3 Government of India, First Five Year Plan, New Delhi : 1952, pp.193-94.

4 See Gadgil D.R., "Organization of Agricultural Production, Structure and Size of the Unit," Indian Journal of Agricultural Economics, Vol. X, No. 1, 1955, pp. 6-8.

Out of these models, the policy makers decided in 1952 in favour of Community Development Projects patterned after the Etawah model. Three factors influenced in this decision-making process.

Firstly, Indian thinking on rural development was still traditional. It was geared around the village settlement as a unit of administration and of economic development. Economic development was expected to take place within the framework of rural social organizations and structure, and via the traditional economic activity, agriculture. The Etawah model was in harmony with this thinking. The Nilokheri model suggested new forms of economic organizations and activities, and as such, did not fit in this mental framework. This was also true of cooperative farming, which required new forms of economic organization.

Secondly, India's strategy of developing a strong foundation of rapid industrialization also influenced its choice of a model for rural development. This strategy required maximum possible investment in heavy industries and other industrial infrastructure. Development of a large number of new townships around small-scale industries in rural areas required heavy investments, as well as industrial raw materials and creation of the infrastructure resources for which did not exist in the 1950s. The CDP patterned on the Etawah model requiring less investment provided the planners with a convenient, low-cost strategy for social welfare and agriculture-based economic development. The strategy was to keep the hopes and aspirations of the rural people as well as their faith in the government alive until the expected fruits of rapid industrialization could reach them.

Thirdly, at that crucial, psychological moment Americans came forward with financial support for this strategy. The Ford Foundation initiated 15 pilot projects based on the Etawah model a grant of \$ 1.2 million even before the First Plan was finalized.⁵ Immediately afterwards, Chester Bowles, the then American ambassador in India, pledged on behalf of his government \$ 54 million supporting the Etawah model.⁶ Bowles' all pervading objective was to keep communism out of India, and when he came to India his mind was already made up on the approach India should adopt to achieve it. In the Etawah model, Bowles found the approach which Sun Yat-Sen wanted to try in pre-communist China. Bowles' assumption was that communism gained strength in China because this approach was not supported by Chiang Kai-shek, and a similar situation would emerge in India if development programme were not undertaken in Indian village urgently.

Bowles prepared a memorandum, and armed with \$ 54 million, met the then Prime Minister Nehru for his approval. The Operational Agreement No. 8 was signed on May 31, 1952, between the Government of India and the Government of USA. The CDP was inaugurated on October 2, 1952. Thus, Bowles was able to give a final push to the decision regarding the strategy for rural development to be followed in India, with a comparatively small investment.

5 Ensminger, D., "The Original Fifteen Pilot Extension Projects," in Evolution of Community Development Programme in India, Ministry of CD, New Delhi: 1973, p.92, see also, Ensminger, D., Rural India in Transition, Delhi, All India Panchayat Parishad: 1972, pp. 2-3.

6 Bowles, Chester, Ambassador's Report, London, Collins: 1954, pp.132-35.

The CD Design

Operational Agreement No. 8 is an important document in many respects. It came at a time when the Indian planners and policymakers were deliberating the planning strategies and instruments for agricultural development and social transformation. It provided four basic elements of far-reaching consequences:

- i) focus on individual cultivator;
- ii) restructuring and reorganization of government machinery, especially at the district level by establishing a new administrative unit on an area (block) basis;
- iii) provision of some welfare facilities by the block agency at the block and settlement levels; and
- iv) provision of necessary facilities for agricultural production to individual cultivators through cooperatives and block agency.

The focus in this design was on the individual cultivator. There was no emphasis on collective action for community welfare and on building community assets for common economic development. In the sense the term "Community Development" was a misnomer.

The design envisaged development of the rural people through concentration of efforts on individuals (primarily cultivators), marginal reorganization of government machinery at district level and below, but not through development of new organizations of the rural people for collective economic and other benefits.

In this design there was no scope for cooperative farming. It is because of this that, in spite of the repeated recommendations of the Planning Commission in the first three Plans, the CDP could not extend help to cooperative farms.

Similarly, in this design there was no scope for development of small or medium agro-industries and cottage industries which could provide economic opportunities to the landless and small and marginal farmers, and thus help in reducing pressure on land. Nor was there much emphasis on helping rural artisans and craftsmen who were continually joining the numbers of the landless.

For the next 25 years, this design determined the strategy and instruments for economic development and welfare of the rural people. It continues to do so even now. It also determined the direction in which internal resources and external aid were to flow. The CDP based on this design was propagated forcefully and expanded rapidly to cover the entire country, giving little or no opportunity for generation of and experimentation with new designs for rural reconstruction and agricultural production. It was constantly nurtured and financially helped to survive by introducing one after another various schemes and programmes such as IADP, DPAP, CADP, SFDA, MFAL, CSRE, etc., all following the CDP design, but excluding the welfare component. Like the CDP, some of these schemes and programmes were the creation of foreign experts and agencies, who did the detailed planning and formulation. After "selling" the programme to key functionaries and policymakers, they submitted these to the government along with some

financial support. This has been the set pattern. Through numerous seminars, conferences, symposia, workshops, training programmes in India and abroad on the CDP and on subsequent programmes, the attention and imagination of key persons was constantly focused in the desired direction.

One of the side effects of this continuous exercise was that, to a considerably extent, it conditioned the mind of many administrators, policymakers, and academicians. On the one hand, their capacity to appreciate any idea which did not fit in this "standard" design was completely obliterated. On the other, their dependence on outside agencies for new ideas increased.

The other side effect of this exercise was that it practically destroyed the interest of policymakers and key administrators in the other two models, namely the Nilokheri model and cooperative farming. Compared to the financial and other support given to the CDP and other programmes, the support and attention given to cooperative farming was negligible and spasmodic. It did not receive any financial support from international agencies.

III

Administrative and Economic Strategies

Linked with the CDP design were the key administrative and economic strategies.⁷

⁷ For detailed analysis of these strategies see, V.R. Gaikwad, "Participation of Rural Institutions and Target Groups in Rural Development Programme Planning and Management", Working Paper No. 217, IIM, Ahmedabad, June 1978.

A. Administrative Strategy:

In the last 25 years, the structure and location of local bodies were designed to suit the organization and structure of inherited district administration. Invariably, the standard pattern of local bodies at village, block, and district levels has been followed since it suited the district bureaucracy structure. Production-oriented organizations such as group farming, cooperative farming, landless workers' cooperative, etc., whose organizational boundaries need not be co-terminus with those of the district, could not develop in this environment. By having local bodies parallel to the district administrative structure, it was convenient for the government to transfer part of the administrative machinery to these bodies and thus exercise continuous control over them.

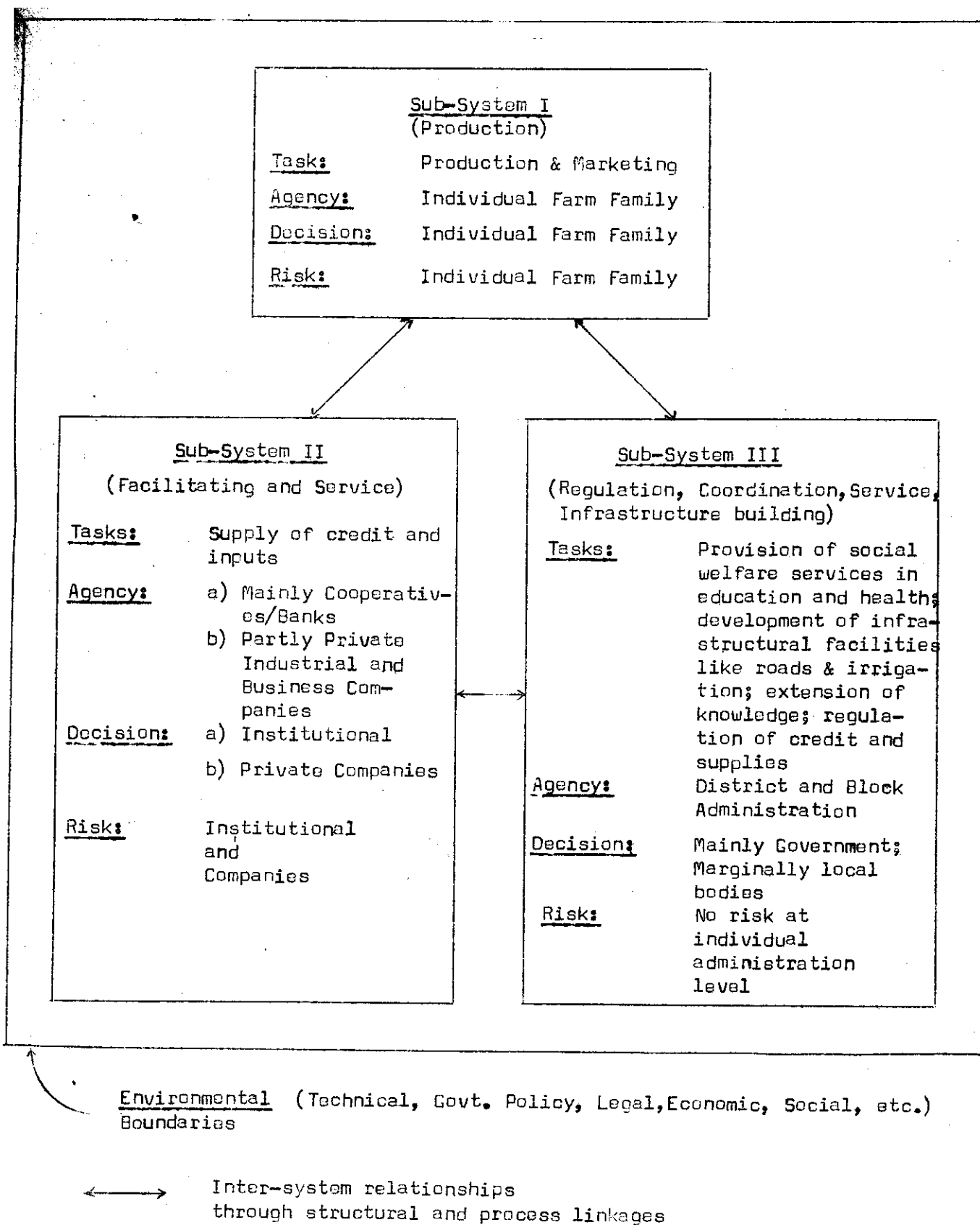
This strategy becomes clear from the following analysis:

The Three sub-systems⁸

Broadly speaking, the three major sub-systems operating in rural areas are: 1) producer farmer sub-system; 2) credit and input supply sub-system; and 3) district administrative sub-system (see Figure 1).

⁸ Based on the author's paper "Redesigning the Role of District Administration: From Regulating to Developing", Vikalpa, Vol.3, No.2, April 1978, pp. 121-32.

FIGURE 1: MAJOR SUB-SYSTEMS IN RURAL AREAS



The first sub-system encompasses individual farm families who, as actual producers, bear all the risks and uncertainties of agriculture in India. In this sub-system could also be included the landless labourers and artisans. The second sub-system facilitates production activities and is responsible for credit and input supplies. The main agencies for these tasks are cooperative institutions. A part of the inputs is supplied by private companies operating through dealers and agents. District administration forms the third sub-system which performs service, regulatory, and extension education functions. It is also involved in building infrastructure like road and irrigation.

During the last 25 years, when schemes and programmes such as IADP, DPAP, SFDA, Command Area, and so on, were introduced there was some tinkering with the third sub-system, the district administrative machinery, like appointment of project officers, subject-matter-specialists, extension officers, field workers, and so on. There were neither changes in the structure and management of cooperative institutions, nor any efforts at organizing farmers to utilize their individual and community resources for common benefits.

B. Economic Strategy:

The economic strategy followed was to give minimum funds for the rural people to handle. This was achieved in two ways; firstly, by having terms of trade unfavourable to the farming population and, secondly, by having layers of administrative machinery through which funds would trickle down to the rural people. The terms of trade have always been unfavourable to the farmer so that the purchasing power of the farmers and those depending upon them for livelihood, such as

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agricultural labourers and artisans, would be minimum, and their dependence on the government agencies for capital help, welfare facilities and for subsistence in times of droughts and other calamities would be maximum.

Over years a system has been evolved in the country so that funds would not be directly handled by grass-root level bodies. As things stand, before funds are spent for the benefit of the rural people or in the name of the rural people, these percolate through at least two layers of local bodies various layers of administrative machinery. Owing to the large number of intermediaries, there are losses of various types. The rural people have very little control on the funds that are supposed to spent on them by others. For practically every need they have to look up to the government and its agencies and wait for the benefits to trickle down. In short, due to unfavourable terms of trade and due to various intermediaries through which state funds flow, very little funds were directly handled by the rural people. Self-respect and confidence have been the first victim of this system which had its origin in the colonial past.

IV

Basic Issues

Hopefully, the present seminar would be different from the many other ready-made, stereotyped seminars, of which there is an endless stream, and for a change discuss some basic issues such as:

1. Is the present thinking on rural development any different from the 4-element CD design?

- a. Is the focus still on the individual cultivators?
- b. Do the proposed organizational changes for rural development imply the same tinkering approach as far as the district level administration is concerned?

2. If there are no basic changes, what is the rationale for pushing this design further, now under the name of integrated rural development?

3. The goal of rural development is to remove the constraining rural characteristics of a society. And the main components of Indian rural scene are:

- a. Dependence on primary agriculture of large percentage of population
- b. Subsistence farming and extremely low purchasing power of farming population
- c. Unfavourable terms of trade and net transfer of resources from rural to urban and industrial sectors
- d. Rigid control over rural institutions by state bureaucracy, and
- e. Absence of strong economic organizations of rural people

Does the existing thinking on rural development cover all these components?

4. The advantages of large units of management in agriculture are well-known. All developed countries whether capitalist, socialist, or communist have large units of management of land in common. In these countries the large-sized farm is managed under private or corporate

ownership as in the U.S.A., or under state, cooperative or collective ownership as the U.S.S.R., Eastern Europe, and China.

Considering the increasing number of small and marginal farmers and landless labourers in India and other developing countries how long can they avoid or delay the building of large units of management of land? Are the recent, forceful efforts to revive the CD design under the cloak of integrated rural development meant to divert the minds of Indian scholars, administrators and politicians from the obvious path of co-operative farming? How long can we avoid or delay formation of multi-purpose, integrated production-oriented cooperatives at least of the Japanese type, if not the Hungarian or other East-European type?

5. India is now the 10th most industrially advanced country in the world. Can we now afford to put more money directly in the hands of farmers through more favourable terms of trade?

6. Agriculture in India and other South-East Asian countries is exposed to high risks and uncertainties due to unpredictable weather conditions, and natural calamities like droughts, floods, pest attack, earthquakes, cyclones, which are as dreaded today as they were a hundred years ago. A single bad year wipes away all the gains of even five normal years. This high uncertainty in agriculture, and low risk bearing capacity due to poor capital base, are the two most important factors for most farmers not using the recommended doses of inputs, and for achieving the highest possible production. Such risks cannot be covered by crop insurance since it would merely mean transferring risk from one farmer to other either in the same region or other regions.

Does the existing thinking on integrated rural development seek to cover the risk taken by the farmers or transfer it to other sectors of economy?

Unless these issues are met head-on, we will have added to the numbers of such seminars, not necessarily to our earnestness of identifying and meeting the urgent challenges of rural development.