CHAPTER - II

POLICIES OF GOVERNMENTS AND DEVELOPMENT OF BACKWARD REGIONS

Among all nations in the world, some regions are developed and some are comparatively underdeveloped. The policies of the Central Govt. and Sate Govts. are more or less responsible for the development of the backward regions. Each local region depends upon the higher level regional policies of the Government for its developments in the various sectors like economic, social, industrial, commercial and cultural etc. In short, region like taluka depends upon district policies of the Governments, region like district depends upon the policies of the concerned Sate Govt. and Central Govt. In the same way Divisional Regions and State regions depend upon the policies of the both Governments. Therefore the study of the policies of the Central Govt. of India and the State Govt. of Maharashtra State regarding the balanced developments of the various regions is necessary.

All the member countries of the United Nations Organization are studying the special problems of the concerned backward regions after 1960. During 1965, UNO had undertaken Regional Development Programme and by this effort a particular support is given to the process of regional development to increase growth rate. It was assumed that the principle of regional development and its implementation will create and increase Inter National Trade and cooperation.

Important foreign countries and their concerned Governments Have
also tried for their concerned regional developments to increase their National progress. e.g. U.S.A. Briton, Japan, Itali, U.S.S.R., China, Yugoslaviya, Brazil etc.

Report of UNO 1971, on page 104 has stated that some problems of the National Planning are solved mainly through the importance of regional sector. Therefore in the national planning, the cores of the regional, local and physical plannings are to be considered carefully and significantly.

POLICIES OF THE CENTRAL GOVERNMENT :-

During the last 40 to 50 years after freedom. Central Govt. of India has started the policies regarding the development of backward areas through some Sections of Indian Constitution; Industrial Development Policies declared from time to time and various Five Years Plans.


Section 38(2) by the 44 amendments in the year 1978, states that Govt. will try specially to remove the imbalance between various regions of the Nation in order to minimize the difference of Per-Capita Income of Regional Citizens.

Section 371(2) from 1956 has made some Special Provisions for the development of Marathwada Region and Vidharbha Region which is based upon Nagpur Agreement.

There is the one of the objectives of the Central Govt. from the First Five Year Plan to Seventh Five Year Plan to minimize the
disequilibrium between various regions of India and to develop the backward regions of India.

New fromula of grant known as, Dr. Dhananjay Gadgil Formula, Ex-Vice Chairman of Planing Commission come into force since the year 1968. New grant fromula is 70% of Central Govt. based on the ratio of population and 30% of concerned State Govt. according to the need of the state. Out of this second quota, one third quota is allotted to those regions whose per-capita income is below the average per capita income of the nation i.e. to the backward region.

According the recommendations of the Study-Group, Shri. Pande Committee was appointed to decide industrially backward region and second Study Group Shri. Wanchu Committee was appointed for deciding and allowing the facilities and incentives to be given to the backward regions decided by the First Study Group in the year 1969. National Council has declared 247 Districts in the Nation as backward. Out of these backward districts, 19 districts are in the Maharashtra State which included all the seven districts of Marathwada Region.

Facilities of subsidy and low rate of interest are available to the industries in these district from 1973 onwards. The rate of interest is 10% to 15% from 1983.

From the Fourth Five Years Plans, for the development of the backward regions and to minimize the imbalance of regions. Special concentration of the govt. is towards the agriculture development of the concerned regions. Some special programmes like Drought Prone Area Programme (DPAP), Tribal Development area programme (TADP), Hill Area Development Programme (HADP) etc. are undertaken. During
this period i.e. 1969. Fourteen big commercial Banks are nationalised. Lead Bank scheme is also started. All Loan schemes are implemented on the basis of the regions.

During the Fifth Five Year Plan, one Minimum Need Programme (MNP) and second, Integrated Rural Development Programme (IRDP) are started and implemented to remove poverty which was spread all over the Nation.

During the Sixth Five years Plan, MNP and IRDP are continued State Government has to find out and to decide the Backward Area and to decide it's need for the development potentiality and capacity of development. State Government should provide Administrative Machinery and Economic Funds which will be equal to Central Government Grant-Ratio. In this way, in short, the State Government has to play a Decision Making Role in the development of Backward Regions.

During the Seventh-Five years plan, Central Government has described the balanced development. (Volume-1, Page 44). Prior policy of allowing more quota from the Central Government's Development Funds to States, whose per capita income is lesser than the per capita income of India is continued. In the same way, Central Government's subsidies and other aids to the new industries in the backward areas are also continued. All the programmes which are started in the earlier plans and necessary for Anti-poverty are to be implemented. Agricultural productivity and capacity of Human - Resources are responsible for the economic - prestige of any region and so in the Seventh - Five - Years plan stress is given on the developments of productivity of
Agriculture and Human Resources.

During February 1979, Central Government has saved Rs. 2000 Crores by reducing other regular activities and that amount was distributed to the most Backward Areas of the Nation on the basis of their population and Backwardness. But Maharashtra State did not get any amount on the ground that it is more developed than other States.

Same thing was happened, during the period of 1984-89, when Late Yeshwantrao Chavan was the Chairman of 8th Finance Commission of India. He recommended and allotted more quota to the Backward States in the National Income. But the quota of Maharashtra state at this time also was reduced under the same ground that the Maharashtra State is developed state of India.

It was experienced in the western countries that agricultural development of the nation or regions should be first, which leads to industrial developments. Agricultural Developments do not come as an effect of industrial development. This aspect was neglected in the Sixth and Seventh Five Years plans.

It is the conclusion of Hemlata Rao's Research 1985, that disparities can be minimized if the view of region maintained in the National Planning (Inter-State disparities in India: by Hemlata Rao.)

It is not a proper justice that to fix the responsibility of the development of the backward regions of Marathwada etc. as an isolated duty of Maharashtra State and without adequate and judicial quota of grants from the Central Govt.

TWENTY-POINT ECONOMIC PROGRAMME :-

The Government was not content with mere re-establishment of
Law and Order, it was keen that the new sense of national purpose should be harnessed to a speedier promotion of economic growth and social justice on 1st July 1975 the Prime-Minister announced in a nation wide broadcast a "Twenty Point Economic Programme". Designed to achieve speedy development and to remove many of the evil practices which has persisted all these years, including bonded labourer and rural fillip to the evil-practice and rural indebtedness. It gave a further fillip to the official drive to curtail inflation and root out black money. The programme was acclaimed by all section of the people—notably farmers and landless workers, industrial workers representative to trade and industry and students and teachers. This meant

1) continuance of steps of bring down prices of essential commodities streamlined production procurement and distribution of essential commodities, strict economy in government expenditure.

2) Implementation of Agriculture Land Ceilings and Speedier distribution of Surplus Land and compilation of Land records.

3) Stepping up provision of houses for landless and weaker sections.

4) Bonded Labour where ever it exists; will be declared illegal.

5) Plan for liquidation of rural indebtedness Legislation for moratorium on recovery of debt from landless labourers, small farmers and artisans.


7) Five million more hectares to be brought under irrigation. National Programme for the use of under ground water.
8) An accelerated power programme Super Thermal Stations under Central control.

9) New development plan for development of handloom sector.

10) Improvement in quality and supply of people's cloth.

11) Socialization of urban and urbanisable land. Ceiling on owner ship and possession of vacant land and on plinth area of new dwelling units.

12) Special squads for valuation of conspicuous construction and prevention of tax evasion. Summary trials and deterrent punish -ment of economic offenders.

13) Special Legislation for confiscation of Smugglers' properties.

14) Liberalization of investment procedure. Action against misuse of important Licences.

15) New scheme for Workers Association in industry.

16) National permit scheme for road transport.

17) Income-Tax relief to middle class; exemption limit placed at Rs. 8000/-

18) Essential commodities at controlled prices to students in hostels.

19) Books and stationary at controlled prices.

20) Books apprentice ship scheme to enlarge employment and training; especially of weaker section.

**ROLE OF THE CENTRAL GOVERNMENT :-**

The activities of the Central Govt. in relation to agriculture at present' may be summed up as follows :

1) The planning of Agriculture Development jointly with the Planning commission.
2) Coordinating State Agriculture plans watching their implementation and evaluating performance.

3) Providing financial assistance to States for their Agriculture scheme by way of Grants in aid and loans.

4) Ensuring the supply of agriculture inputs such as improved seeds, implements, fertilizer etc. in sufficient quantities and in time.

5) Providing economic incentives to farmers in the form of remunerative prices and enforcing the minimum and maximum prices.

6) Providing technical advice and assistance to States in implementing programme.

7) Extension work among farmers including extraneous education to make farmers.

8) Development of livestock dairying and fisheries.

9) Development of forests.

10) Land reclamation, Soil conservation, utilization of water resources.

11) Fundamental and applied research in agriculture, veterinary science, forestry, agriculture economic, fisheries etc. Maintaining standards of higher education.

12) Home Science and nutritional needs of the population.

13) The administration of external assistance.

POLICIES OF MAHARASHTRA STATE GOVERNMENT :-

Section-I of Nagpur Agreement 1953, accepts three regional elements of Maharashtra State i.e. Vldharbha, Marathwada and Western Maharashtra.

Section-II of the said Nagpur Agreement provides that the funds
will be allocated upon the basis of population of the concerned regions and special concentration will be given for the development of Marathwada. The employment opportunities in the Maharashtra State Public Service Commission and the Technical Education and Training will be allocated upon the population basis of the region.

One book "Guide Lines and Principles of Maharashtra State", Published by the Maharashtra State Government in 1960, described the Rights of the Regions and Duties of the Government, as announced by the Ex-Chief Minister, Late Shri. Y. B. Chavan.

In short, it is historical truth that the three regions of Maharashtra State come together on the basis and Principle that there is continuous responsibility of Maharashtra State Governments regarding to the development promises as stated in the Nagpur Agreement and section 371 (2) of Indian constitution.

After the implementing of these promises of Nagpur Agreement and section 371 (2) of Indian constitution in real sense, the integrity of Maharashtra State will be stabilized.

In a seminar of the Economists and Industrialists of Maharashtra Sate Shri. Chintaman Rao Deshmukh expressed the views that the backwardness of the Marathwada and other regions of Maharashtra State should be removed as early as possible by the Government of Maharashtra State. The technique of the success of the Maharashtra State Government should be through faster development of these regions.

During the period of 1961-65 of the Third Five Years Plan, which was the first Five Years Plan of the New Maharashtra state, efforts were made towards the developments of these regions as per Nagpur-
Agreement and section 371 (2) of Indian Constitution.

But, when Late Yeshwantrao Chavan became Defence Minister of India in 1962, the efforts of the development of the backward regions were nearly stopped by the new idea of "Pockets" of all regions of the Maharashtra State.

In 1969, on 20th August, Chef Minister Shri. Vasantrao Naik had expressed the statement of demand before the Assembly of Maharashtra State that all the regions of Maharashtra State are more or less backward and so the old views of the some regions are backward should be removed and new views of the concept of backwardness must be considered. District element was accepted as the basic element in the views of planned development. It seems that by the policy of District-element of planned development the seriousness of the dispute of disparity of the region will not remain in existences.

Maharashtra State Government had not decided and found out the backward districts and not done any discussion about the reasons of the backwardness of the particular district at earlier stage.

Maharashtra State Government and it's representatives did not understand properly and not accepted accurately the recommendations of the Pande committee of the Central Government regarding the backwardness of the districts of the Maharashtra State. The views of the backwardness of this state was broader than the views of Central Government.

From the year 1983 and onwards the Maharashtra State Government's policies were such that the subsidies and other facilities available to the backward districts from the State Government's Funds
are to be reduced by the amount of the grant of Central Government's Development Fund available to the respective backward districts. It means the withdrawal of the comparative benefits of Central Government by the State Government. Shivraman Committe of the Planning Commission 1981, stated that there should not be different orientation for deciding the backwards geographical sectors between the State and Central Government.

From the Fourth Five Years Plan to the Five Years Plan there was not effort to collect and maintain and to publish regionwise data relating to the expenses of development works.

However, in the Sixth Five Years plan Government had expressed it's worry about the removal of imbalance of developments of the backward regions like Marathwada, Vidarbha and Kokan. In short, there was not any effective plan at State level and sub-State levels.

After 1980, serious discussion has happened in each Session of the Maharashtra State Assembly. In 1983, Dandekar committe was appointed by the Late Vasant Dada Patil, Ex-Chief Minister, Maharashtra State to study and decide backward regions of Maharashtra State.

The appointment of Dandekar Committe was criticized in the real views of backwardness by the Regional Thinkers and eminent editors of Daily News Paper like Marathwada (02-11-1983 and 11-05-1984) Any way this committe had recommended the backwardness of the some districts of Maharashtra State by studying the data and applying some basic criteria.

By comparing the decided criteria of the particular sector of a district, with the average criteria of that sector of Maharashtra State
the backlogs of the various districts of the State have been found out. Firstly, such backlog in physical items of the development's elements and secondly such backlog in monetary costs, based on the price level of 1983 are mentioned. For example, to find out the backlog of Primary Teachers in each district, the criteria is applied as 365 teachers are to be appointed for each one lakh population in Maharashtra State on an average. On this basis, the requirement is calculated and actual facts of the concerned district is compared. In this way, the backlogs of Primary Teachers as physical element of the backward districts are calculated. Then assuming the annual salary of each teacher, the monetary backlog of Primary Teacher is decided.

Dandekar Committee had recommended that 85% of the total provision of the budget under planning should be utilized for the removal of backlog in the development of particular sector of the district and only 15% of the total provision should be used for regular development activities of the said district.

It is possible, through the present process of removing the disparities in the developments within the limit of Development Funds and by the sectorial division of Development Funds & by giving more importance to remove disparity and by filling up backlogs, balanced development will be much earlier. Badly, efforts for removing the disparities are no more than calculations of backlogs of the districts and the decision of raising the machinery such as Statutory Developments Corporations, According to the section 371 (2) of Indian constitution.

In the year 1985, Maharashtra State Govt. has decided nine sectors of developments in the backward districts for filling up backlogs, Out
of these nine sectors the backlogs of the seven sectors were to be filled up during the period of Seventh Five Years Plan only. Remaining backlogs of the two sectors i.e. Roads & Irrigations are to be filled up during Eight Five Years Plan. Total provision of Rs. 1500/- Crores was made in Seventh Five Years Plan to fill up the backlogs only.

It does not mean that disparity of the developments is over after filling up the backlogs at the end of 8th Five Years Plan i.e. 1995. It is difficult to catch the level of development of progressed districts because their acceleration of development process is always going on. The real elements of the success of removing the disparity in the development process are as the permanent responsibility of the State Government regarding, the balanced development process and knownliness and awareness of the people and leaders of the concerned region.

The Backwardness of Marathwada region is a result of poverty only. There are social, economical, geographical and administrative reasons behind it. The process of the Regional Development is to decide and to divert beneficial economic policies of the Government towards backward regions and their implementation strongly and enthusiastically. Recently Maharashtra State Government had established four Regional Statutory Boards in Maharashtra State for the balanced development of all the Divisional Regions of it i.e. Marathwada, Vidharbha, Konkan and West Maharashtra.

The policies of the Governments clear the views and affinity regarding regional development of backward area and their responsibilities to remove backwardness of the regions. The resources
for it are the grants of the Governments from the Development Funds and the supports of the Government for it.

Real process of development will accelerate only by the proper utilization of the said resources by concerned people of the region and by increasing their productivity or by removing Socio-Economic obstacles.

Regional development is one of the techniques of development as Agricultural Development, Industrial Development, Employment Development. Antipoverty programme, Minimum Need Programme etc. are the techniques of developments. In short, Central Government of India and the State Government of Maharashtra State both are trying for the balanced development of all the regions like Tulakas in Nation and minimizing the disequilibrium in their development, for this purpose Governments have formulated some schemes of developments through which disparity of income of the peoples of all regions will be minimized.

**SOME IMPORTANT SCHEMES OF THE GOVERNMENT ARE AS FOLLOWS :-**

1) Employment Guarantee scheme.

2) Integrated Rural Development Programme.

3) Training for Rural Youth for Self-Employment.

4) Horticultural Development, Programme Under E.G.S.

5) Forestry and Social Forestry, Programme Under E.G.S.

6) Jawahar Rozgar, Yojana.

7) Jiwandhara-wells sheme.
8) Jawahar-wells scheme.

9) Indira Awaas Yojana.

10) National Watershed Development Programme.

11) Drought Prone Area Programme.

12) Prime-Minister Rojgry Yojana.

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