CHAPTER-IV

RURAL DEVELOPMENT IN INDIA IN GENERAL AND ASSAM IN PARTICULAR SINCE INDEPENDENCE: AN OVERVIEW
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4.0 INTRODUCTION:

India has had a long history of rural development attempts and experiments. In this process, the varied experiments have left a lasting imprint in this vital area of national endeavour.

In the pre independence days, rural development was primarily a task of voluntary organisations set up by eminent persons with selfless commitment for the rural people. Rabindranath Tagore’s scheme of rural reconstruction, the Martandam Experiment by Spencer Hatch, the Gurgaon Experiment by F.L.Brayne, the rural reconstruction programme in Baroda first initiated by Maharaja Sayaji Rao and later developed by V.T.Krishnamachari, the Firka Development scheme by T.Prakasam, the Eiawah Pilot Project by Abet Meyer, the Nilakari Experiment by S.K.Dey.,are worth mentioning. Mahatma Gandhi initiated different programmes for rural reconstruction as a part of India’s movement for independence.

The Community Development Programme launched on 2nd October, 1952, and the National Extension Service (1953) were the attempts at rural reconstruction with the aim of associating people, though it became a governmental programme. The area and target group approaches have been made during the planning era in the direction of betterment of the rural people. Implementation of land reforms, development of different irrigation schemes, establishment of co-operatives for rural credit, development of system of marketing and other services, setting up Farmer’s Service Societies (FSSs), establishment of National Bank for Agriculture and Rural Development (NABARD) and the Regional Rural Banks (RRBs), etc., aim at restructuring the rural economy with focused attention to rural development. But interestingly, there was no proper coordination and integration amongst the various schemes initiated by the government during the post independence period. In this process, there was only piecemeal rural development and most of the benefits were pocketed by the rich farmers in villages. The rural poor, particularly small and
marginal farmers, tenant cultivators, rural artisans and the landless labourers have been bypassed by many developmental schemes.

4.1 CHANGING PERSPECTIVES OF AGRICULTURE AND RURAL DEVELOPMENT IN INDIA:

Eradication of poverty and creation of ‘Hunger Free India’ are the major development concerns of India in this new millennium. According to the UNDP and World Bank, of the estimated 1.3 billion poor people in the world with incomes less than one dollar a day, about 0.26 billion live in India with most of them (74 per cent) residing in rural areas. India accounts for almost one-fourth of the 800 million hungry people of the world. Agriculture is the main source of livelihood for most of the poor. Thus, sustainable and broad-based development of agriculture is pre-requisite for rural development, and the later, a necessary condition for overall socio-economic development of India as well as Assam.

Development strategies under the Five Year Plans (FYPs) essentially were concerned with achievement of high growth and reduction of poverty, food insecurity, unemployment and social inequity. It also emphasized for building up the institutional strengths. The major development goals envisaged under the FYPs were:

4.1.1. Priority to agriculture and rural development with a view to generate adequate productive employment and eradication of poverty.

4.1.2. Accelerating the growth rate of the economy with stable prices.

4.1.3. Ensuring food and nutritional security for all, particularly the vulnerable sections of the society.

4.1.4. Providing the basic minimum services like safe drinking water, primary healthcare facilities, universal primary education, shelter, and connectivity to all villages in a time-bound manner.

4.1.5. Ensuring environmental sustainability of the development process through social mobilization and participation of all the stakeholders.

4.1.6. Empowering women and socially disadvantaged groups such as Scheduled Castes, Scheduled Tribes and other backward classes and Minorities as agents of socio-economic change and development.

4.1.7. Promoting and developing people’s (Participatory) institutions like Panchayati Raj Institutions. Cooperatives and Self-Help Groups.
While the emphasis on sector specific development goals varied over time in view of the changing circumstances and emerging challenges, large investments were made under Rural Development (RD) programmes.

4.2 PHASES OF AGRICULTURE AND RURAL DEVELOPMENT IN INDIA:

Shifts in policy focus and paradigms that have taken place during the last five decades of India’s rural development are detailed below. A summary of the key agricultural policies formulated through the FYPs is also presented as follows.

A brief description of the four phases of rural development are the pre-green revolution phase (1950-65), the green revolution phase (1965-80), the poverty alleviation programmes (1980-90) and economic reforms and decentralization phases (1991 onwards)- shows the impressive array of programmes and policies built up progress was impressive in the Eighties and has been poor since the mid-Nineties.

4.2.1 Pre-green Revolution Phase (1950-65):

In the second FYP, there was not only a strong pro-industry bias in policy making but there was an underlying theme of pro-poor and pro-village sentiment also that determined the development policy which emerged from the Gandhian influence on Indian thinking and the experience of the freedom movement. The Gandhi Smriti has brought out these influences in their work on “Gandhi and Changing faces of India”(1988).

During this phase, the foundations were laid for the emergence of a democratic pattern of society and the objective of a socialistic society. The state assumed the responsibility of “engineering” the whole process of development of an economy ravaged by war and partition and vulnerabilities to food deficits. Planning was viewed as an instrument to develop the backward agriculture with a view to transforming the rural economy and mainstreaming the poor so as to correct structural rigidities and augment the productivity levels of the major economic sectors (Rao, 1999). Institutional reforms constituted the main plank of this phase for a broad-based agriculture and rural development.

At the time of Independence, Indian agriculture was confronted with prevalence of Zamindari system, high levels of (rural) indebtedness, weak institutional support to agriculture etc., the main emphasis in this phase was on institutional and agrarian reforms. Some of the traditional institutions like the village
Cooperative and the village Panchayat were revived to create conditions for the emergence of a dynamic and progressive economy through enhancement of production potential and fulfillment of vital democratic and egalitarian aspirations within the community. Land reforms, establishment of National Extension and Community Projects, introduction of Panchayati Raj Institutions (PRIs), expansion and strengthening of Cooperative Organizations (in credit, production, trade, housing etc.) were some of the institutional interventions during this phase.

In the pre-green revolution period starting from 1950-51, the main policy thrust was on agrarian reforms as well as agriculture through large scale investment in irrigation and power and creation of other infrastructure such as credit institutions, regulated markets, roads and extension facilities and research institutions. Immediately after independence, India abolished intermediary landlordism (Zamidari System) giving occupancy rights to 20 million statutory tenants cultivating 40 per cent of the operated area. Dantwala (1986) argued that the “abolition of Zamidari and similar intermediary tenures which were highly inequitable and oppressive was a progressive measure. Its abolition, covering some 40 per cent of the total cultivated area, even with the shortcomings, must be considered as an improvement in agrarian relations”. Tenancy laws were enacted in almost all the states with the objectives of (i) providing security of tenure, (ii) regulating rent and (iii) conferring ownership rights on cultivating tenants. As a major proportion of the tenanted land was under the better off owner-cum-tenants and only a small proportion of it was under a large number of poor small tenants, tenancy laws helped the lot of bigger cultivators more than the smaller ones (Rudra and Bardhan, 1980). Simultaneously, ceiling on landholdings was imposed in the early fifties and the surplus land was taken over and distributed among the landless.

The main objectives of the (agrarian) reforms policy to correct the structural imbalances hindering the modernization of agriculture were only partially met. Gross inequalities in the agrarian economy and rural society continued to persist. However, eviction of tenants was observed along with abolition of Jagirdars in Hyderabad State (Khusro, 1985). Wide variations were observed in the implementation of land reforms. For instance, performance of Jammu & Kashmir was rated well in this regard.

The percentage of area leased out was about 20 at all India level in 1953-54 and across states it varied between 11 and 26 per cent. (Source: NIRD, Annual
High levels of rent and insecurity of tenure were the major problems of tenancy. Land rents were higher than the ‘fair’ rent fixed by the government and they differed across the regions. Legislative measures enacted by the states in respect of security of tenure were not effective and also led to eviction of tenants. Distribution of operated area across the operational holdings indicates that vast majority of holdings were tiny and mostly uneconomic. Similarly, distribution of livestock though less inequitable, nearly 80 per cent of cattle and livestock holders possessed hardly one or two animals.

Ceiling on land holding and redistribution of surplus land to agricultural efficiency (Parthasarathy, 1979) and by the early Sixties many governments enacted land ceiling legislation. Outside the state land reforms fold, the Bhoodan movement of Acharya Vinoba Bhave resulted in voluntary donation of land by landlords for distribution among landless.

West Bengal was the first state to impose land ceilings (10 hectares for a family) and 0.35 million hectares of land was vested with the states. By 1962, all states enacted land ceiling laws; ceiling limits, however, varied across states. For instance, it was 8 to 24 hectares in Bihar and 10 to 175 hectares in Karnataka. Similarly, the compensation for land also significantly differed from 20 to 200 times of land revenue in these states (Raju, 1999). Consolidation of landholdings was viewed as an intervention to aggregate the problems of the small holders. Agriculturally efficient Indian states such as Madhya Pradesh, Haryana and Punjab made considerable progress in this regard. Studies showed that consolidation of landholdings led to a spurt in on-farm and agricultural markets.

Rural reconstruction experiments of the pre-Independence era had generated the enthusiasm to adopt the ‘whole village development’ approach in the fifties. As a sequel to the recommendations made by the ‘Grow More Food Inquiry Committee’ under the chairmanship of V.T. Krishnamachari, an extension system was set up to provide support to farming community and coordinate all activities of rural life with active participation of people. The Community Development Programme (CDP) was introduced in 1952 with focus on the use of scientific knowledge in agriculture and allied sectors and preparation of micro level plans with people’s participation. Development of the three basic democratic village institutions-school, cooperative and panchyat was the core component of the CD strategy. Village development plans benefiting all the economic sectors and the less privileged sections were emphasized.
About 15 per cent of the Plan funds were earmarked for agriculture and community development during this phase. The inadequate preparation and limited capacities of the administration and institutions have only resulted in limited outcomes. The creation of CD blocks was an effective measure in taking the government close to the people. A wide range of activities was taken up under the CDP which included agriculture, communications, education, health, housing and social welfare.

The National Extension Services (NES), 1953 and the CDP could create conditions for democratic planning with the people as the main stakeholders of development at the cutting edge level. These projects were also successful in establishing better inter-departmental coordination in the initial years. However, values like self-help, self-reliance and cooperation aiming at collective action for addressing the socio-economic problems could not be significantly internalised by many in the stratified rural society of India.

The Programme Evaluation organization (PEO) of the Planning Commission, National Institute of Rural Development (NIRD) and other institutes highlighted the significant achievements of CDP, along with its shortcomings in modernising the agriculture and to develop social infrastructure. The impact on agricultural growth and quality of life was only moderate mainly due to paucity of funds, lack of functional responsibility at the block level and inadequately trained and motivated personnel. The CDP was not able to mobilise the people to the extent required.

The emergence of the three-tier structure of PRIs during the late fifties and the early sixties as local self-government bodies consequent on the recommendations of the Balwant Ray Mehta Committee (1967) was viewed as a natural extension of the principles and built into the NES and CDP. The concept of Panchayat Raj that evolved from the freedom movement was influenced by eminent leaders like Gandhi, Nehru and Dey. The institution was viewed as a facilitator of socio-economic change and for the promotion of people's participation in local governance.

The Directive Principles of State Policy in Article 40 of the Constitution require the state to take steps to organise village panchayats and endow them to function as units of self-government. Many states assigned civic and economic activities to panchayats. The mobilisation process adopted for effective participation of people in local development efforts was not effective in all the cases. However, the PRIs were found to have significant effects only in a few states like Gujarat and West...
Bengal. Lack of political will for devolution of powers was chiefly responsible for the limited success of the experiment (NIRD, 2001).

Cooperatives as instruments of participation and stakeholder involvement for socio-economic change received considerable attention in India. The Rural Credit Survey of the Reserve Bank of India (RBI) laid the framework for the expansion of cooperative sector with credit delivery at the core. A structure of cooperative credit for working capital and investment finance was painstakingly planned and implemented. It stood the test of many decades and met the needs of rural finance. Cooperatives made significant strides in terms of increase in the number of societies and quantum of credit flow. However, the slackness in loan recovery had led to non-viability of the cooperative credit system. This was the major deficiency of these institutions noticed during this period that had led to the subsequent rationalization of the cooperative credit structure in the country.

Cooperative village management was a concept which evolved during this period which take cognizance of the interests of the core groups of agricultural labourer and the underprivileged, by ensuring equality of status and opportunities. But the experiment met with limited success.

Village and Small Scale Industries (VSI) under the decentralized sector were encouraged to provide non-farm employment. Commodity and Group specific Boards were established (Karve Committee, 1955). These largely provided supplemental employment. Modern small-scale industry responded favorably and number of industrial cooperatives (handlooms, handicrafts and processing societies) came into being.

The Intensive Agriculture District/Area Programme (1960-61) had given certain tangible yields and laid a foundation for propagation of HYV seeds technology for select crops like wheat in Indian agriculture but the effect was sporadic. Foodgrains output went up to 72.3 million tones in 1965-66 from 50.8 million tonnes in 1950-51. Milk production rose by about 3.5 million tones from a base value of 17 million tones in 1950-51 and fish production to 6.58 million tones. The index of Agriculture production was 159 (1949-50=100) in 1964-65. Agriculture production grew at the rate of 2.92 per cent per annum during the period 1949-50 to 1968-69, 2.79 per cent annual for Foodgrains and 3.18 per cent for non-Foodgrains. The contribution of area growth was more than that of productivity in respect of Foodgrains as well as non-Foodgrains. The share of agriculture sector in GDP
declined from 59.2 per cent in 1950-51 to 47.2 per cent in 1965-66. The performance of agriculture was erratic and determined by weather. Limited access to capital for a large number of small producer resulted in low productivity of agriculture and living standards did not improve in this period. (Source: NIRD, Rural development Report, 2005).

Planned efforts to bring qualitative improvements in the social sector had made marginal dent. Social indicators like Crude Birth Rate, Crude Death Rate and Infant Mortality Rate have changed from 40.27 and 146 per thousand, respectively in 1951 to 45.20 and 150 per thousand by 1965-66. Poverty in rural India during this period was high and fluctuating correlating mainly with the performance of (weather dependent) agriculture (Ahuwalia, 1978).

The notion that in the early sixties, India was ahead of or at the same level as the other Asian economies had lost momentum later is empirically incorrect. In 1960, India’s Human development indicators were way below other Asian economies as later discussion shows, colonization had more debilitating effect on India as compared to the other Asian countries. Land reforms in terms of greater security of tenancy and improvements in tenurial condition, consolidation of (unviable) landholdings and distribution of land to landless and plugging the loopholes in (land) legislation continued as objectives of policy (Rao, 2005).

4.2.2. Green Revolution Phase (1968-80):

Agriculture and rural development strategies in this phase were essentially growth oriented even at the cost of institutional reforms. The droughts in 1965-66 and 1966-67 and the subsequent food crisis coupled with the failure to build the institutions for rapid economic progress that would benefit the poor, have led to qualitative changes in the development perspectives. The HYV seed-water-fertilizer technology (popularly known as Green Revolution) was introduced to manage the food crisis. Systematic efforts to revamp the institutions (support systems), viz., research and Extension, credit and Marketing to serve mainly the small holders were initiated by replacing the ad-hoc approach to development. Based on the Jha Committee Report (1964) (Foodgrains Price Committee), a comprehensive agriculture policy was evolved with the basic objectives of increasing the production of basic goods and control of inflation. The components of the policy include, Minimum Support Prices (MSP); Buffer-stocks [to contain (undue) price rise]; Public
Distribution System (PDS) and regulation of trade (in food). Agriculture grew significantly with productivity as the major contributor (Radhakrishna and Hanumantha Rao, 1994). The Agricultural Price Commission (APC), now known as the Commission for Agricultural Costs and Prices (CACP) to advise the state on price related matters, and the Food Corporation of India (FCI) for operationalizing the procurement and buffer-stocks, were established in 1965. Agricultural input subsidies, fertilizers, water and electricity, were introduced to provide incentives for adoption of new technologies with a view to maximizing productivity. These efforts have yielded good results and under the green revolution the output of wheat and rice increased remarkably.

Initially, it was hypothesized by many scholars that the green revolution would not spread to backward regions. But in 1982 it was shown that in fact yields were rising in the Eastern India. It is now accepted that during the late Seventies, the HYV technology gradually spread to backward regions including Bihar and West Bengal (Bhalla and Singh, 2000).

However, uneven performance was noticed in respect of minor cereals, pulses and commercial crops like oilseeds, cotton and sugarcane. Agriculture gradually entered into the phases of commercialization, mechanization and modernization. The study made by Jawaharlal Nehru University (JNU, 1978) observed that the growth of food grains in certain regions was primarily explained by factors such as irrigation and multiple cropping; while water-seeds- fertilizer technology was the key source of growth in other regions. Broadly area expansion was the main factor of agriculture growth in pre-green revolution period while productivity accounted for almost three-fourths of the output growth in the green revolution period. Technology and irrigation determined the rise in gross cropped area which grew at 0.2 per cent (Bhalla and Alagh, 1979).

Agricultural growth which was uneven led to inter and intra-regional inequalities and differential impacts on poverty levels. The Target Group (Small and Marginal Farmers, SCs and STs), the Area Development [Drought Prone Area Programme (DPAP) 1973-74 and Desert Area Development Programme (DDP) 1977-78] approaches were followed to minimise the inequalities and reduce poverty. Subsequently, the Food For Work (FFW) Programme was introduced in 1977 to increase employment opportunities and minimise the food gap for the poor. Among the social groups, the Scheduled Castes (SCs) and the Scheduled Tribes (STs), the
most vulnerable classes, received some relief through these measures. The diversification of agricultural and rural activities benefited the weaker sections and minimised the effects of ‘social exclusion’ process that had been existing for centuries.

The Minimum Needs Programme (MNP) introduced in 1974 with focus on primary education, primary health, drinking water supply, supplementary nutrition, rural roads, rural electrification and public distribution system brought about some improvements in the quality of life of rural people.

A number of measures that were initiated to improve the livelihoods of landless labourer which included special employment programmes, greater intensification of agriculture, better wages (enforcement of minimum wages) and rural industrialization (e.g. handlooms) had yielded encouraging results. The Crash Scheme of Rural Employment (CSRE) and the food for Work Programme (FFW) and the Employment Guarantee Schemes (EGS) of Maharashtra were part of the above strategy. Organisation of labourer, small and marginal farmers and tenants for wider distribution of benefits of higher productivity were some of the important policy decisions of this phase. But the efforts and responses to these interventions were inadequate and accordingly the poverty and unemployment levels remained high. The cooperative banking and credit system has played a significant role in the transformation of the rural economy but the benefits of cooperatives were largely confined to the large and medium farmers. Cooperative processing has led to the growth of agro-industry in some states. Regulation of agricultural markets was another crucial event of this period and in a number of states. Major and sub-markets were regulated. For instances, 1616 principal markets and sub-markets were regulated up to 1968-69 in India and over 2000 during the period 1969-80.

Nationalization of Banks (1969) was viewed as a concrete step in the direction of socio-economic democracy and as a measure to increase the access of small and marginal farmers to institutional credit. The flow of credit to agriculture has gone up since 1969.

Reorganization of the Indian Council of Agricultural Research (ICAR) was a landmark and a number of All- India Coordinate Research Projects (crop-wise and discipline-wise) were introduced to address the specific problems in the adoption of new technologies (HYVs). Farmers’ education and training received special attention. However, the efforts made to initiate a two-way flow of information between the
farmers and researchers were not effective. The impact of agriculture extension, as pointed out by several evaluation studies, was found to be moderate. However, remarkable progress was witnessed in regard to soil conservation and fertilizer consumption during this period, which had a bearing on agricultural productivity and growth.

The performance of the PRIs was affected due to lack of financial and administrative autonomy and participation of people in local level planning was hardly noticeable.

The facilitative role of the other supporting institution, viz., research reorganizations of ICAR, extension system, credit agencies (Nationalization of Banks, cooperatives) and marketing (regulation of markets) in this context was laudable. These along with CACP, FCI and PDS comprised the institutional framework that aimed at achieving a break-through in agricultural growth and food security. This period was also marked by introduction of input subsidies, to all classes of farmers and for all regions which were still continuing even though its rationale was not totally justified. However, the technological advances have not benefited the backward regions and the cultivators of coarse cereals most of whom were poor; the tiny farmers were excluded from this growth process to a large extent. In some cases over emphasis on technology seems to have diluted the focus on agrarian reforms and strengthening of the institutional base (especially in the poverty zones). However, the country missed an opportunity to create conditions for a broad-based agricultural development. The regional inequalities in agricultural growth had widened since the new technology favoured a few states like Punjab and Haryana. ‘Green Revolution’ in areas with assured irrigation helped India overcome the food crisis. The rise in food stocks had a significant effect on food insecurity. But the regional inequalities in agriculture growth had widened (Rao, 2005).

4.2.3 Phase of Poverty Alleviation Programmes (1980-90):

While the Green Revolution was the most welcome phenomenon in our planned development strategy, it also created maladies of development, which is reflected in the form of regional imbalances and income disparities among the rural population. The areas endowed with favourable agro climatic conditions became prosperous while others remained backward. Similarly, those who had viable land holdings were able to increase their farm income and thus became richer while the
others, mainly small and marginal farmers, agricultural labourers and rural artisans, remained poor. In order to correct regional imbalances in income disparities, a number of special rural development programmes were introduced in between the period of fourth FYP and the end of fifth FYP (1974-79).

Towards the end of fifth FYP (in the late seventies), it was realised that there was multiplicity and overlapping of programme, particularly the target group oriented components were being misused and being cornered by the better off in the villages and depriving the deserving poor. In order to remove those defects of the special rural development programmes and also to launch a direct attack on rural poverty, the target group oriented elements of all other programmes were merged with Small Farmers Development Agency (SFDA) and a new programme called Integrated Rural Development Programme (IRDP) was launched in 1978-79, initially in 2000 most backward blocks and later extended to all the blocks of the country from 1980 onwards.

From 1980 onwards a series of programmes (some of them were recast of the old programmes), were launched to provide a multi-pronged thrust to rural development to achieve mainly the following four objectives as follows:

4.2.3.1 Poverty Alleviation:

To minimise rural poverty, besides IRDP, number of programmes aimed at creating self-employment for those who have some asset base or skill or entrepreneurial capacity and wage employment for those who are fully depended on daily wages. The self-employment programmes were Integrated Rural Development Programme (IRDP). Development of Women and Children in Rural Areas (DWCRA). Supply of Improved Toolkit for Rural Artisans (SITRA), Ganga Kalyan Yojana (GKY) and Millions Well Schme (MWS). For wage employment, National Rural Employment Programme (NREP), 1980 and Rural Landless Employment Guarantee Programme (RLEGP), 1983 were launched but later both were merged to a single programme called Jawahar Rojgar Yojana (JRY), 1989. However, again a major wage-employment Assurance Scheme (EAS) was launched in 1992-93.

4.2.3.2 Area Development Programme:

For improving economic resources base and management of natural resources in drought prone, desert and tribal areas; Drought Prone Area Programme (DPAP),
Desert Development Programme (DDP) and Integrated Tribal Development Programme (ITDP) were continued.

4.2.3.3 Land Resource Management:

Land reforms, computerisation of land records, distribution of surplus and Government lands to the landless and development of waste and degraded land, are important programmes to achieve the objectives.

4.2.3.4 Human Development:

This included programmes focused on providing minimum basic requirements such as rural housing, i.e., Indira Awas Yojana (IAY); Accelerated Rural Water Supply (ARWS); Central Rural Sanitation Programmes (CRSP), Nutrition Revamped Public Distribution System (RPDS), National Social Assistance Programme (NSAP) etc.

Thus, in the past two decades, the Ministry of Rural Development (MORD) adopted a multi-faced strategy to deal a variety of problems faced by different section of the rural people, though the major thrust remained on the poverty alleviation.

The Integrated Rural Development Programme (IRDP) 1980, covered about 35 million poor families during the eighties and provided 134.5 billion rupees of financial assistance of which 63 per cent was credit support from financial institutions. The inadequacy of infrastructure, more so, the marketing support, low per capita investment and deficiencies in the approach were identified as major drawbacks of IRDP which led to non-achievement of its goals. Under the scheme of development of Women and Children in Rural Areas (DWCRA), about 31,000 groups were formed for economic endeavours with 0.52 million women as members. Under the Training of Rural Youth for Self-Employment (TRYSEM) scheme, nearly two million youth received (technical) training and nearly 75 per cent of them took up gainful income generating activities. The concurrent evaluations had indicated that despite leakages and low efficiency in resource use, the living conditions of the poor had improved and that some had even moved out of poverty line (e.g. the concurrent evaluation of IRDP in the Eighties showed that about 12 per cent of the families assisted could cross the poverty line).

The National Rural Employment Programme (NREP) 1983, and the Rural Landless Employment Guarantee Programme (RLEGP) (1983-1984) were introduced
on the basis of the experiences of Food For Word (FFW) programme (1977-1978). These schemes have generated 4,664 million of employment for the poor at an expenditure of Rs.75,775 million during the decade of the Eighties. However, micro level studies have indicated a lower level of employment generated under these programmes than officially reported. Socio-economic infrastructure was developed besides generating sizeable employment. Foodgrains distribution under these programmes helped in reducing food insecurity to poor to an extent. In 1989-98 the two programmes were merged into a new one, viz., Jawahar Rojgar Yojana (JRY). All these Poverty Alleviation Programmes (PAPs), coupled with improved sectoral performance, have evidently led to a steep fall in rural poverty. i.e., from 53 per cent in 1977-78 to 39 per cent by 1987-88. The state policies towards social development have benefited to some extent the low-income groups in terms of improvements in literacy, housing status and access to amenities like safe drinking water and electricity. On the human development front, the progress made by India was impressive both in relation to some other countries and also over time, (NIRD, 2005).

4.2.4 Economic Reforms and Decentralization Phase (1991 onwards):

The early nineties witnessed the balance of payment crisis and huge fiscal deficits problem. Therefore, the country had opted for Stabilization and Structural Adjustment Programmes. Thus, the decade of the nineties witnessed the gradual Liberalization, Privatization and Globalization (LPG) of the Indian economy. Following the liberalization process, several states had initiated reform measures in the agriculture and other sectors since the beginning of nineties.

Another major development paradigm shift was that of revitalization of the PRIs. As a sequel to the G.V.K. Rao Committee Report (1985) which examined the organisational issues relating to the rural development and poverty alleviation programmes the Government of India had gone for Constitutional Amendments (73rd and 74th) for the emergence of Panchayati Raj system as the most appropriate pattern of democratic decentralization of development process. The salient features of the 73rd Amendment include: constitution of Gram Sabha, establishment of a three-tier Panchayati Raj structure for uniformity across the states, composition of Panchayats, reservations in Panchayats for socially disadvantaged, powers of Panchayats and constitutions of State Finance Commissions. The 74th Constitutional Amendment
contemplates establishment of District Planning Committees with representation from rural and urban areas to prepare Plans for overall development of the district.

The 73rd and 74th Constitutional Amendments have opened new vistas to operationalise the democratic decentralization process. The Gram Panchayat has emerged as an important institution for socio-economic transformation of rural area. The 73rd constitutional Amendment envisages planning and implementation of 29 rural development functions by PRIs. These include distribution of seeds, primary education, PDS, welfare of weaker sections, drinking water rural housing, rural roads, rural electrification, family welfare etc. Some states have devolved some functions, functionaries and finances on these local bodies but the lukewarm attitude towards PRIs continued in most of the states. Notwithstanding this, large-scale capacity building efforts have been made so that the panchayati Raj functionaries can discharge the expected functions ably, notable among the states with excellent record in PRI based decentralization are Kerela, Gujarat, Maharashtra and Madhya Pradesh. The people’s campaigns in Kerela, for instance, to operationalise the democratic decentralized planning process, has captured worldwide attention (Thomas Issac, 2000).

The Gram Sabha or village assembly is another important institution for ensuring democratic and decentralised governance. The quest for ‘power of the people’ could be achieved through this deliberative organ at the grassroots. Gram Sabha is the foundation of the system based on the basic tenets of democracy by deliberation wherein the people get more opportunities to exercise their power. This institution offers face-to-face democracy. This grassroot body has distinct advantages to foster accountability, responsiveness and transparency in this system as well as sharing of information to build awareness among citizens.

During this phase, rural India had witnessed the growth of several community-based organizations. The ‘Self-Help Group’ (SHGs) have emerged as important institutions for poverty alleviations and empowerment of the poor, more so, women. The state sponsored RD programmes, NABARD initiatives and NGO strategies have all helped in strengthening the activities of SHGs In several States such as Andhra Pradesh, Maharashtra and Uttar Pradesh, a number of committees for social development have been constituted such as School Education Committee (SEC), Water and Sanitation Committee (WATSAN) and Village Health Committee (VHC) and these committee are playing an effective role. In Karnataka and Andhra Pradesh
Under (water) sector reforms, PRI and CBO partnerships have been established and found to be effective (Duragaprasad et al, 2002-03). Most of these CBOs have been facilitating organization of the rural communities and are thus helping creating effective demand for decentralization from below.

The Ninth Five Year Plan indicated that agrarian reforms would receive top priority which include prevention of alienation of tribal lands, conferment of land rights on women, computerization and updation of land records and improved access of the poor to village commons. However, the agrarian reforms, though considered as intervention in poverty alleviation and sustainable rural development, took a back seat in practice. However, inequalities in land-holdings persist.

At the end of March 2002, about 7.4 million acres were declared surplus, and only 88 per cent of it was taken possession of by the state and 73 per cent was distributed among 5.6 million landless poor/tenants. On an average, each beneficiary got 0.96 acre of land; 5.62 acres in Rajasthan and 0.43 acre in Kerela. Nearly 60 per cent of the land assignees were SCs and STs.

Anti-poverty measures continued in this decade but in a more effective manner. However, the non-convergence of the various PAPs was well documented in several evaluation studies. For instance, the weak linkage between IRDP and TRYSEM was pointed out by the concurrent evaluation of IRDP (MRD,1993). However, some of these problems have been addressed in the restructured PAPs. The group approach was gaining currency over individual approach under the self-employment programmes. Also, towards ensuring better control over the programme implementation, IRDP, DWCRA, TRYSEM, SITRA and GKY were merged into a holistic programme called the Swarnjayanti Gram Swarozgar Yojana (SGSY). In the revamped set up the Sampooma Grameen Rozgar Yojana (SGRY) was launched merging the earlier two streams. Employment Assurance Scheme (EAS) the main wage employment programme and Jawahar Gram Samriddhi Yojana (JGSY) relating to creation of rural infrastructure.

With the coming into force of the new programmes of SGSY and SGRY, the earlier programmes IRDP, TRYSEM, DWCRA, SITRA, GKY, MWS and EAS are no longer in operation.

The unemployment levels had gone up during this period. The unemployment rates for males and females were 5.6 and 5.6 per cent in 1993-94 and rose to 7.2 and 6.8 per cent respectively by 1999-2000 (CDS approach). But for the rise in real
wages, poverty would have gone up further (Rao, 2003). Greater role for PRIs had been envisaged in these programmes for better integration of the PAPs.

The poverty levels dipped during this period despite differential performance of the economic sectors and notwithstanding (some) adverse consequences of the economic reforms. For instance, the rural poverty ratio was 27 per cent in 1999-2000 while it was 37 per cent in 1993-94. The absolute number of poor declined from 244 millions in 1993-94 to 193 millions by 1999-2000. It was observed that the pace of reforms and poverty reduction was uneven. In states like Andhra Pradesh, Gujarat, Karnataka, Kerala, Maharashtra, Punjab and West Bengal, the poverty decline was significant. The impact of reforms on poverty reduction was moderate in Bihar, Madhya Pradesh, Orissa, Rajasthan and Uttar Pradesh (Srinivasan, 2000). Several methodological issues were raised questioning the reliability of poverty estimates of 1999-2000. The relevance of the updated poverty line of Rs. 49 at 1973-74 prices was debated. Also aspirations for a healthy life pattern have changed since the poverty line was set by the Task Force on Minimum Needs and Effective Demand under the Chairmanship of Y.K. Alagh in the mid-seventies. The expert (Lakadawala) Committee set up in the early Nineties changed only the procedure for updating the prices, but did not change the poverty line of the Alagh’s Task Force. It is desirable that the Government constitutes a technical working group to examine the whole gamut of issues surrounding the development of methodology for estimation of poverty and provide a new set of poverty line.

The role of local institutions (as partners in development) in the whole development process was well realised. Accordingly, the PRIs, voluntary organizations and community based organizations like the self-help groups were encouraged to associate with planning and implementation of development endeavour. Kerela is an illustration of participatory development planning with institutional collaboration. In fact, involvement of the poor in poverty reduction and economic growth became the central theme of development since field experiences amply justified such interventions. For example, the success of DWCRA in states like Andhra Pradesh, Gujarat and Kerela (Kudumbasree programme) have given new insights about tapping the potential of poor women for their self-development as well as for the socio-economic transformation of the society.

The need is to harness the great vitality of decentralized markets which are replicating widespread rural growth through institutions and organizations, which
foster limited but well focused areas of community and cooperative action. The National Social Assistance Programme (NSAP) introduced in 1995 to provide pension for old people, maternity benefit and family benefit (in the event of death of the bared winner), was found to be beneficial to the poor. These safety-nets are essential where most of the poor experience hard core poverty. However, the extent of assistance was meagre and the coverage too was inadequate. The Common Minimum Programme of the government was addressing these issues with focus on core intervention areas through the Advisory Committee of the Programme.

The accumulation of food stocks was impressive despite low levels of performance of agriculture. The macro level food grains self-sufficiency however, did not translate into household level food and nutritional security. The procurement of rice and wheat was steadily rising but the off-take of food grains was disturbingly low. For instance in 1996, 18.3 million tonnes of food grains was issued and it sharply fell to 12.8 million tonnes by 2000. In 1999-2000, about 24 million tonnes were allocated under PDS but the off-take was only 17 million tonnes. The PDS was not found to be cost effective due to its untargeted nature and leakages (Kochar, 2003; Dev et al., 2003; Reddy and Rao, 2004). As against the minimum stock of 16.8 million tones needed in Jan, 2000, the actual buffer-stock was 31.4 million tonnes resulting in huge carrying costs, PDS was also criticised for the inefficiencies in plugging leakages. The estimated leakages for instance were as high as 18.2 per cent in 1999-2000 in Andhra Pradesh where the PDS network is well developed (Reddy, 2002). The rise of issue prices to the poor in 2000-01 by over 60 per cent and enlargement of the ration quantity under targeted PDS (TPDS) did not benefit the poor mainly due to their low purchasing power. In fact, the food subsidy bill had risen remarkably. The PDS performance in the poverty stricken states was well below the expectations. A number of measures to improve the efficiency and effectiveness of PDS in rural India have been suggested by many scholars (Mathew et al. 2003).

The Ninth Plan (1997-2002) emphasized on the empowerment of women a socially disadvantaged groups as part of social justice. Reservation of women in PRIs has to be viewed as a measure to facilitate participation of women. The growing number of women members is an indication that women have established themselves as good change agents. The social mobilization efforts of NGOs and GOs have been gradually shifting from ‘development’ to ‘Empowerment’ and the focus on group
activities in many development endeavours amply support this perception (Rao and Durgaprasad. 2003).

There was a qualitative shift in the approach to ensure well-being of the poor, i.e., from ‘welfare’ to ‘development’ and to ‘empowerment’. The socially disadvantaged group such as women, SCs and STs asserted themselves as evidenced by their representation on local bodies and also through the self-help group activities in socio-economic political spheres. For instance, the Self-Employment Women’s Association (SEWA), Gujarat and the Andhra Pradesh SHG movement and poverty alleviation programmes had ensured people’s participation in rural development. However, such movements should spread to all parts of the country for greater decentralization and gender equity. To correct the gender bias, a few states have amended the property inheritance laws.

The ‘Human Development’ concept became the core of development strategies in several states as is reflected by the allocations for social sector in the budgets. This concern has also been reflected in the public policy of providing a minimum standard of basic minimum services to all within a short period (Conference of Chief Ministers, 1996). For instance, it was planned to have universal coverage of primary health care, primary education and safe drinking water by 2000. Under the ‘Social sector’ development programmes were launched to benefit the vulnerable and the poor.

The ‘National Rural Employment Guarantee Act’ (NREGA) 2005, was passed in the parliament with unanimous consent for securing the livelihood of the people in the rural areas. The Act was notified on 7th September, 2005. The NREGA marks a paradigm shift from all earlier and existing wage employment programmes because it is an Act not just a scheme. It provides a legal guarantee. The Hon’ble Prime Minister of India launched the NREGA on February 2, 2006.

The basic objective of the Act is to enhance livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. This work guarantee can also serve other objectives like generating productive assets, protecting the environment, empowering women, reducing rural-urban migration and fostering social equity, among others.
Initially, the Act would come into force in 200 districts and thereafter it would be extended gradually to other areas notified by the Central Government. It is projected that it would cover the whole country within five years.

The National Rural Employment Guarantee Act is a “people’s Act” in several senses. The Act was prepared through a wide range of consultation with people’s organizations. Second, the Act addresses itself chiefly to working people and their fundamental right to live with dignity. Third, the Act empowers ordinary people to play an active role in the implementation of employment guarantee scheme through Gram Sabhas, social audits, participatory planning and other means. More than any other law, the NREGA is an Act of the people, by the people and for the people, (SIRD, 2007).

This Act is an important step towards the realization of the right to work. It is also expected to enhance people’s livelihoods on a sustained basis, by developing the economic and social infrastructure in rural areas. The choice of works seeks to address the causes of chronic poverty such as drought, deforestation and soil erosion. Effectively implemented, the employment generated under the Act has the potential of transforming the geography of poverty.

The NREGA calls for the formulation of a Rural Employment Guarantee Scheme (REGS) by each State Governments within six months of the date of commencement of the Act. The purpose of the Scheme is to give effect to the legal guarantee of work. Each Rural Employment Guarantee Scheme is required to have the minimum features.

Section 4 of the Act also provides that until such a Scheme is notified by the State Government, the Annual or Perspective Plan of the Sampoorna Grameen Rozgar Yojana (SGRY) or the National Food for Work Programme (NFFWP), whichever is in force in that area, shall be deemed to be the action plan for the Scheme for the purpose of the Act. The State Government will also make Rules pertaining to those aspects of the Act that determine the functions of the State Government.

The Central Government shall notify the area in which the Act will come into force from such date as may be appointed in the notification and different dates may be appointed for different State or for different areas in a State. The Scheme will be implemented as a Centrally Sponsored Scheme on a cost-sharing basis between the centre and states as determined by the Act.
4.3 RURAL DEVELOPMENT PROGRAMMES IN ASSAM: 
A BRIEF REVIEW

The Government of Assam has been giving topmost priority to Rural Development in the development agenda of the state since the inception of the First Five Year plan. In Assam the Community Development Programme (CDP) was initiated in 1952. During the first plan, 26 blocks were set up. In order to introduce various Community Development Programmes during the successive plan, 219 Community Development blocks have been functioning in the state at the end of March 2006. The CDP had undertaken ambitious programmes for all round development of rural areas of the state, which included agricultural improvement, extension of minor irrigation facilities, development of cooperative and Panchayats, improvement of transportation facilities and exploring supplementary sources of employment. Unfortunately, the CDP could not succeed to enthuse the villagers into the spirit of self-help and self-reliance.

With the growing size of population, the agricultural economy of the state has been facing the problem of labour surplus. Under such a situation the introduction and implementation of certain rural development programmes for the development of agriculture and allied activities and to revive the village and small scale industries has become very much inherent in the state.

Accordingly since the Sixth Plane onwards, various self-employment and wage-employment programmes were introduced. The Integrated Rural Development Programme (IRDP) was launched in Assam during 1980-1981. There had been 46,246 beneficiary families assisted by 1990 under this programme. Table-4.1 presented below shows the achievements under IRDP in Assam during 1991-1992.
Banking services have expanded rapidly as a result of the expansion of credit provision. Food for Work Programme (FWP) was initiated in 1978 for generating additional gainful employment and to create durable community assets by utilizing surplus food grains accumulated as buffer stock. But this FWP created a little impact on the market wage rate and generation of employment. Therefore, later on this FWP was restructured into National Rural Employment programme (NREP) from October 1980. Later on various other target group oriented rural development programmes were introduced in Assam along with other states of the country which include-Training for Rural Youth and Self-Employment (TRYSEM), Development of Women and Children in Rural Area (DWCRA), Jawahar Rozgar Yojana (JRY), Employment Assurance Schemes (EAS) and Indira Awas Yojana (IAY). Despite efforts made over the last few years by the Government of Assam, the rural development scenario of the state remains more or less static, contrary to expectations, income inequality in the rural areas of the state has increased, with the poverty ratio showing no sign of rapid declining. A comparative statement of poverty ratio of some states of the country between the period of 1993-1994 and 1999-2000 and 2000-2005 is presented in table-4.2

### Table-4.1

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of families assisted</th>
<th>Credit Disbursed</th>
<th>Subsidy Disbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991-92</td>
<td>46,416</td>
<td>19.74</td>
<td>11.42</td>
</tr>
<tr>
<td>1992-93</td>
<td>38,483</td>
<td>16.81</td>
<td>10.13</td>
</tr>
<tr>
<td>1993-94</td>
<td>63,381</td>
<td>28.87</td>
<td>18.20</td>
</tr>
<tr>
<td>1994-95</td>
<td>62,584</td>
<td>35.62</td>
<td>21.34</td>
</tr>
<tr>
<td>1995-96</td>
<td>59,030</td>
<td>41.18</td>
<td>24.17</td>
</tr>
<tr>
<td>1997-98</td>
<td>39,585</td>
<td>30.42</td>
<td>19.36</td>
</tr>
<tr>
<td>1998-99</td>
<td>47,585</td>
<td>39.64</td>
<td>22.86</td>
</tr>
</tbody>
</table>

**Source:** Panchayat and Rural Development, Assam

92
Table 4.2

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rural</td>
<td>Urban</td>
<td>Total</td>
<td>Rural</td>
</tr>
<tr>
<td>Assam</td>
<td>45.0</td>
<td>7.7</td>
<td>40.9</td>
<td>40.0</td>
</tr>
<tr>
<td>Bihar</td>
<td>58.2</td>
<td>34.5</td>
<td>55.0</td>
<td>44.3</td>
</tr>
<tr>
<td>Kerela</td>
<td>25.8</td>
<td>41.6</td>
<td>25.4</td>
<td>9.4</td>
</tr>
<tr>
<td>Orissa</td>
<td>49.7</td>
<td>48.6</td>
<td>48.0</td>
<td>6.3</td>
</tr>
<tr>
<td>Panjab</td>
<td>11.9</td>
<td>11.3</td>
<td>11.7</td>
<td>6.3</td>
</tr>
<tr>
<td>W.B.</td>
<td>40.8</td>
<td>22.4</td>
<td>35.7</td>
<td>31.8</td>
</tr>
<tr>
<td>All Stetes</td>
<td>Total</td>
<td>37.3</td>
<td>32.4</td>
<td>36.0</td>
</tr>
</tbody>
</table>


Table 4.2 shows that the comparative level of poverty of Assam has deteriorated over time. The comparative poverty ratio in rural Assam has remained worse than in urban life during the period of 1993-94 to 1999-2000 and 2004-2005.

Evaluation studies have clearly shown that all the poverty alleviation programmes have produced limited impact in the state because the grass-root level institutions of the people including NGOs are not actively involved in the progress of implementation of the said programmes.

Probably, this is the realization, which led the state Government to take necessary steps for the active functioning of Panchayati Raj Institutions of the state. Accordingly, the Government of Assam hold Elections to Panchayati Raj Institutions of the state in December 2001 after a long gap and necessary amendments have been made in the Assam Panchayati Raj Act, 1994 for strengthening of the Panchayati Raj system in the state. Post of around 1,700 secretaries of Gaon Panchayats have been provincialised to strengthen the grass-root level Panchayats in the state.
Participatory development in the rural areas has been ensured through regular holding of Gram Sabha. This includes taking up "Rajor Padolit Sarkar (RPRST)" initiative as a part of Government effort to bring administration closer to the people. Thereby, implementation of rural development programmes through Panchayati Raj Institutions has been streamlined (SIRD, 2005).

The Government of Assam has been implementing various rural development programmes through a network of 219 Community Development Blocks functioning in the state.

A new Programme called Swarnjayanti Gram Swarozgar Yojana (SGSY) has been introduced countrywide by merging the earlier programmes of IRDP, TRYEM, DWCRA, SITRA, GKY and MWS into it. The objective of SGSY is to bring the assisted poor families above the poverty line by ensuring appreciable increase in incomes over a period of time. This objective is to be achieved by inter alia organizing the rural poor into Self Help Group (SHGs) through a process of social mobilization, training and capacity building and provision of income generating assets through a mix of bank credit and Government subsidy.

Keeping in view as many as 1,70,719 SHGs have been formed in Assam till March, 2008 under SGSY and 62,659 SHGs linked up with banks. (Source: Directorate of Panchayat and Rural Development, Assam).

To provide a greater thrust to additional wage employment, infrastructural development and food security in the rural areas, the Government of Assam introduced a new programme in the state called Sampoorna Grameen Rozgar Yojana (SGRY) with effect from September 2001 along with the other states of the country. The earlier programmes of EAS and JGSY have been merged into this new programme.

Presently, with the coming into force of National Rural Employment Guarantee Act (NREGA) with effect from September 2005 the earlier programme SGSY is no longer operational in the state.
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