CHAPTER IV
In the present chapter we would seek to analyse the government strategies and programmes for the alleviation of rural poverty in Haryana. History tells us that in poor Asian countries, the most affective way to reduce poverty fast is to redistribute productive assets. In predominately agricultural countries, when self employment is the rule and dependence on wage labour is largely the product of population pressure on more or less fixed cropped area, this implies that land reform should be the first priority in a poverty alleviation strategy. The proportion that any given level of per capita income, greater equality is a pre-condition for lifting poor rural households out of poverty (Myrdal, 1970) is a more general one. This sequence involves a major change in the balance of political power, as in china, or nearer to home, as in Kerala, where land redistribution of and tenancy legislation rolled back the rise of landlessness and organisation of rural labourers pushed up the wages of farm workers.
The slower and less certain route is to increase land and labour productivity and employment at a rate fast enough to stay ahead of population growth. Thus, even with increases in the absolute number mainly directly dependent on the land, the demographic burden on the rural asset base may be counter balanced by land augmenting investment and improvements in crop production technology. Within rural areas, if the growth in farm income is accompanied by work force diversification sufficiently rapid to drain off some of the surplus agricultural labour and to raise rural wages all around, the landless and near landless may be accommodated at rising incomes outside of agriculture as well as with in it. Historically such structural change in the rural workforce has been associated with expanding secondary and tertiary sector production in market towns and cities. This induces rural to urban migration, which helps to relieve the population pressure on the land. Historically also, the process of work force diversification has been associated with a decline in the relative importance of self-employment, and a corresponding rise in the share wage and salary earners in both the rural and the urban workforces. For those who are already landless, or on the verge of it; and for those who work in dying traditional rural household industries and services, wage employment work best.
Haryana as a separate state in November 1966, the political leaders of this relatively less developed part of eastwhile Punjab pursued on implicit policy of catching up with their more developed neighbour. Targets in the fourth plan (1969-74) and in the early budget documents, both for agriculture and for industry, are repeatedly stated in terms of comparisons, with data given for both Haryana and Punjab to highlight the distance to be covered. It is only in the 1970's that Haryana budget speeches begin to talk in terms of first fastest and the best, the first state to achieve 100 percent rural electrification, the highest rate of growth of per capita incomes, the best rural bus service and so on. While in some important respects from the point of view of poverty alleviation, such as rural employment generation, Haryana has now moved ahead of Punjab, in other, such as per capita SDP and farm output growth rates Haryana still lags behind. Diversification of the economy and Growth of non-agricultural activities in the most striking feature of development since 1961, more particularly between 1971 and 1991.

Growth rates in non-agriculture have been roughly twice those in agriculture during the past 15 years, running between 7 and 8 percent for the secondary sector and a bit higher for the tertiary sector. Registered manufacturing has
been growing at rates above 9 percent since 1975, in the most recent decade unregistered manufacturing at rates well about 10 percent year compound. The banking and insurance sub-sector has also expanded at compound rates from 10 to 15 percent. Obviously these contrasts between sectoral income growth rates imply rapid change in the structure of Haryana Economy. The combined shares of the non-agricultural sectors in the state domestic product have gone up from only 35 percent in 1970-71 to a position of clear dominance today with a share of roughly 60 percent, while agriculture's share has fallen from 64 percent to something in the neighbourhood of only 40 percent within two decades. These developments have been associated politically with a series of uneasy alliances between the leading, cultivating castes and expanding rural and urban interests now linked to the fortunes of the growing non-agricultural sectors not only in Haryana itself, but also beyond. At the time of independence, India, being a predominately agrarian society, the rural sector received much attention from the planner and politician alike. The fact was highlighted that Indian society and economy being overwhelmingly rural, was deeply related with the pattern of land organisation. Land not only constituted the major source of livelihood for the people but also determinated the system of social stratification, power struc-
ture in rural India (Oscar Lewis, 1958). Land ownership pattern at the time of independence presented a very dismal picture characterised by gross socio-economic inequalities and strong feudal elements. In 1951, 78 percent of the land holding were below 10 acres whereas, 5.6 percent of the local holdings were above 25 acres (Vyas, 1979).

It is due to the existence of this depressing state of affairs that the planning commission, in 1952 gave concrete expression to the commitment to land reforms. It is specified that the primary aims of the land reforms programmes were redistribution of land among the landless, establishment of individual holding, security of tenure and bringing the cultivated land into direct contract with the state. The general scheme of the programme consisted of the following features:

a) Abolition of intermediaries
b) Tenancy Reforms
c) Land Ceiling
d) Agrarian reorganisation
e) Organisation of Co-operative reforms

The main aim of this programme during the last three decades has been the growth with social justice. The first five year plan started clearly.
Economic equality and social justice are conditions indispensable for the survival of democracy and carefully worked out policy for reduction of disparities in income and wealth is the sign qua non of planning. On the other hand, a hasty implementation of measures intended to bring about economic equality may, in the short-run, affect savings and the level of production adversely, it may even make it difficult to effect a smooth transition of the type of planned economy we envisage. (First Five Year Plan, July 1951, pp, 26-21).

This does not mean that existing conditions have to be continued. The rate at which progress may be made in the direction of equality has inevitably to be adjusted to the requirements of the present economic situation (p.21).

With these objective, the plan suggested in the 1950's and 1960's to implement a ceiling on landholdings. The principal that there should be an absolute limit to the amount of land which an individual may hold was accepted. This limit was to be fixed by each state, having regard to its own agrarian history. In addition to the surplus land coming under state government it was further recommended that plots on newly reclaimed land and cultivable waste land should be set apart, wherever possible, for the settlement of the agricultural labourers.
Land Reform Measures:

The motive behind the land reform measures in Indian states was the Distribution of surplus land among the tenants and the landless, as it was visualised that it would abolish or at least bring under control the social and economic inequalities which were the basis of the traditional relations between the land owners and tenants (Beteille, A, 1974). The distribution of land by size of holdings represents the core aspect of social inequality in the agrarian structure. This we have already dealt with, while discussing the agrarian structure in Haryana.

Till the creation of Haryana from Punjab as a separate state, in 1966, the land reforms legislations were the same, as in Punjab. The initial legislation were the Punjab security of Land Tenures Act, 1953, and PEPSU tenancy and Agricultural Land Act, 1955, which are referred to as the old Acts. Subsequently the Haryana ceiling on Land Holding Act, 1972 was enacted which was later amended in 1976. Under these acts the ceiling on landholding was fixed at seven hectares of assured irrigated land yielding two crops or eleven hectares of assured irrigated land yielding one crop or twenty and half hectares of barani land and the unit of application was earlier the individual and later the family (Haryana Land Ceiling Act, 1972).
According to the Haryana revenue records, under the old and new Act, 3, 96, 216 acres of land was declared surplus but the actual area available for allotment under the two acts was 35.2 percent of the actual area declared surplus of the total area available for allotment, 86.8 percent was distributed by 31st July 1993 and thereby a reduction in the inequalities in the state, as claimed by the Govt. of Haryana (Director, Land Records, 1993.)

Two points of view can be identified from the available studies on land reforms. One school of thought says (Johl, 1972, Kahlon 1984; Myrdal Gunner, 1968 and Bhalla, 1974) that land reform is not the end in itself but a mean to provide income opportunities. Small holdings given to them would yield some income which would help in controlling the gulf between landlords on the one hand and agricultural labourers or the tenants on the other hand, some social scientists, such as Joshi (1975) Beteille (1974), Appu (1975); Thorner (1962) Doreen Warnier (1969) Wolf Ladejinsky (1972); Parthasarthy (1977) stressed that land reform should not be considered as an abstract concept but must be looked at from the point of view of the interests of a particular group. For the middle level castes, land reform has been a definite success. They have acquired land not only from the land reforms but also from market purchase (Joshi, 1975).
Despite ambitious objectives, the land reform programme failed to benefit the small farmers, tenants and landless agricultural labourers (Wold Ladejinsky; 1972, p. 172). He further stated, the people in whose behalf the reforms were designed have never been a party to the process of reform formulation and enforcement. They are objects of reforms but never means of helping formulate and carry them out. The reliance is upon a reluctant, numerically small bureaucracy to do the job. Reluctant officials and timid farmers are not a good combination to advance the cause of reform.

The implementation of tenancy reforms in the state is one of the weakest in the country. The worst affected has been tenants-at-will. According to the report of National Commission on agriculture up to March, 1973 about 78,000 tenants were evicted from 1.44 lakh hectares on the plea of resuming lands for personal cultivation. Another 41000 tenants were evicted through the device of Voluntary Surrender involving 62,000 hectares of land. Another 1.9 lakh tenants were evicted from 2.06 lakh hectares of land through due process of law. All such tenants were rendered landless. The land reforms legislation thus contributed to accentuate the agrarian inequality in Haryana (Yughandhar and Iyer, 1993) in a recent study conducted on tenancy adduce evidence.
to large-scale persistence of concealed tenancy in the Haryana State of whom 2/5th are landless tenants and another 1/5th are marginal peasants. The implementation of tenancy reforms law is a dead letter.

The data pertaining to land allotted from the Surplus holding to the landless respondents households show that only 27 households were given land out of the total sample (147). Out of these 78.5 percent were given less than 5 bighas or one acre, and 16.6 percent were given from 5 bighas to 9 bighas. Of the total sample 81.64 percent of the agricultural labour households were not given land from the surplus under the land reforms.

A regionwise analysis suggests that region-B, no land was distributed among the agricultural labour households through there were 87 acres of surplus land, 42 acres in village Uchana and 45 acres in village Kheri Neru, (Patwari Records of Uchana and Kheri Neru, 1993-94). In region A 23.5 percent of the land was distributed of which 8 bighas to one households in Badesra village and 62 bighas to 23 households. Patwari records show that there was 188 acres of distributable land in the villages studied out of which 112 acres in Badesra and 76 acres in Pahladgarh (Patwari records of Badesra and Pahladgarh ; 1993-94).
The above data show that the state Government was not serious in the distribution of all the available land to the agricultural labourers. The land holdings which were distributed to the rural labour households were small and the net earning as suggested by the respondents were very little. Majority of the respondents, 69 percent sold their lands in region A and suggested that they had no institutional support to make their land economically viable.

Another interesting features was observed forced the allottees to sell their land to the landlords. In region A (Badesara and Phaladgarh) where land was distributed to the tenants and landless agricultural labourers, the landlords whose land was distributed under ceiling Act collected other members of other caste and told the allottees either to sell their land or face the consequences. The allottees at the time of allotment gave Rs. 25,000 per acre to the landlords whose land they were allotted. The landlords purchased the same land at the rate of Rs. 46,000 per acre from the allottees. The allottees were dependent economically and socially due to their earlier paternalistic relations with the landowners in the villages. The allottees told during the fieldwork that they were denied to work in the fields of the landed castes and they were not allowed to bring grass for their cattles. Hence the lack of collectivity and other institutional help
forced the allottees to sell land back to landlords. The equitable distribution of land, as visualised by the planners could not reach the poor agricultural labourers because the small minority of oligarchs have had wit and resource enough to get around these laws in which, in any event, the loopholes were so large as to give them ample maneuvring ground. By-passing themselves off, legally or illegally, as tiller and agricultural labourers, the village oligarchs have gone on running the agrarian scene (Daniel Thorner, 1962).

*Industrialisation and Development*:

The role and emergence of industrial sector of Haryana made significant changes. A remarkable feature in this context is the absence of an effective state level political presence of industrial interests. One reason, it seems, was that industries, concentrated mainly in Ambala district near Chandigarh, Faridabad, Hissar, Sonepat and Panipat were established by outsiders; Faridabad was developed for resettlement of refugees from Pakistan, who lived in Delhi but worked in Faridabad. During the 1970's and 1980's large scale Industrial Units were setup by well known Indian firms such as Eicher, Escorts, Good Year, Kelvinator, and Larsen & Toubro- Even though Faridabad industries contribute more than half of the State Government's budgetary revenues, in-
interest in them is focused primarily on the concern for finding jobs for educated rural youth. The notion of dispersed and balanced industrial development with local rural linkages has given way to the motion of concentrating industrial activities at a few selected points with a cluster of ancillaries around larger units.

The strategy of industrial concentration however, did not lead to enclave development. The impact of industrial agglomeration of large and small scale units in rural areas and market towns was tremendous. In the rural small and tiny sector local entrepreneurship thrived, much of it by way of tie-ups with mother industries in urban industrial townships. Today there are estimated to be about 6,000 such ancillaries feeding the Faridabad Complex alone and estimated 3,000 in Panipat and 1200 in Sonepat. These units now exist in rural areas side by side with trading and traditional craft like ventures, some of which, like Khadi or embroidered shoes, have also found for themselves on urban market. Given the high standards of rural transport, power, Banking and related infrastructure in Several District, medium and even large scale industrial units have also been established in rural areas, independent of any connection with the units in the major industrial complexes. Together with the rise in rural construction, transport, and tertiary sector -infrastructure and
other activities, these industries provide the jobs which have enabled many rural wage dependent households to rise out of poverty.

In more recent years, nonetheless, there has been a resurgence of political interest in accelerated industrial and tertiary sector developments. This interest has been revived by the realisation in the early 1980s, that agriculture was not to be relied upon to absorb labour indefinitely. Industry, especially rural small scale industry, is now seen as a better alternative than government sponsored wage paid employment schemes. To this end the emphasis has shifted further in favour of the improvement rural infrastructure, including amenities such as tapped drinking water and sanitation. By the mid-1980s rural occupational diversification was stated as an explicit goal, although the official initiation of this strategy seems to have followed reality rather than leading it. Rural infrastructure upgradation and specialised technical and vocational training are now described as the key to the such as the employment-oriented industrial dispersion policy.

The shift in emphasis, it is more likely, is mainly the product of a substantial change in the aspirations of Village and small town residents; including, it should be noted, the members of rural wage labour households many of whom are now commuting daily to non-farm jobs, in their own or
other people industrial and tertiary sector units in nearly villages and market towns.

Direct poverty alleviation programmes are treated at best, as peripheral by officials. They do not merit much mention in political statements either, certain officers undoubtedly would like to see particular welfare schemes pushed through vigorously but the prevailing cynicism about the implementation of the programmatic approach, to poverty alleviation is unmistakable. A sample of responses to questions conveys the negative assessment.

The question: What do you think of as the major courses of reduction in poverty in Haryana elicited straightforward answer: Infrastructure, markets and service. Within infrastructure road and electricity in agriculture, irrigation is decisive. To the question: what is your most successful anti-poverty programme? The replies came: there is nothing as such, there was no programme as such; the outcome is the result of trickle down. To probing questions: There is no scheme for pulling up the people at the bottom. On a programme which has attracted considerable attention; the pension scheme is a racket.

On education, health services, literary programmes to reduce infant mortality and so on it was asked: Are these perceived as programmes which enable the poor to increase
their capabilities. One person said no, it enables the landholders, property owners. From another, the emphasis on education is significant, but not as poverty alleviation; it is to enable people to get into services. Similarly, regarding co-operatives; they are not for poor people, they are for extension of credit, provision of inputs for landed people.

*Poverty Alleviation Programmes:*

What kinds of programme does Haryana in fact promote, and which ones are carried out mainly because funds for them are available? In the second category come the entire set of asset creation and rural employment schemes; IRDP, TRYSEM, DWCRA, JRY and its sub-schemes such as the million wells scheme and DPAP. All of these are carried out, after a fashion, but the State Govt. would like to see the coverage, prescribed norms, or emphasis of all of them revised in one way or another. The schemes which Haryana is prepared to initiate on its own, or push despite varying degrees of central government reluctance, relate to village infrastructure and amenities and non-targeted welfare schemes such as the initially almost universal old age pension scheme. There also seems to be considerable political backing for a diverse package of scheduled caste welfare programmes.
The expenditure of IRDP in the country corresponds to its share in the total number of poor persons, both are about 1 to 1.5 percent. Haryana's own assessment of IRDP and TRYSEM, a related poverty alleviated programme, is rather derogatory. TRYSEM is described as a waste of money and IRDP is held in low esteem by officials. The concurrent evaluations of IRDP done by the department of rural development also show that Haryana's performance was worse than all India in that none of the beneficiaries were able to cross the poverty line, and only 46 percent of investment was found intact compared to the all India average of 73 percent. The special programme for women and children viz. DWCRA, is also not considered a good scheme. It has been difficult to identify suitable income generating activities for women. It is the fact that for many women wage labour at relatively high wages is considered by them as a better alternative than low earning self employment activities.

The employment generating schemes, NREP, RLEGP and JRY have been considered better even though the norm of 60:40 for wage and non-wage component of expenditure is considered faulty, as assets of lasting value cannot be created with such a low material component. The structure and nature of the employment problem in Haryana also calls for a more flexible approach to employment generation in or-
der that the special problems of educated rural youth or the problem of specific areas, e.g. waste land development or forestry, can be given more importance than short term job creation.

The state's own priorities as well illustrated by the contents and coverage of the community development programme. The category covers 11 schemes. Of these four are for women, one is for scheduled caste and one for backward classes. Proposed outlays reveal that the low cost rural sanitation programme and the subsidiary scheme for construction of Harijan Chaupals, were the two most important ones financially in that order. The model villages scheme, with a relatively modest proposed outlay, appears to be a programme of considerable political significance.

The model village scheme is being implemented in Haryana by a rural development board. Its political attractiveness is evident from its composition. The governor of the state is the chairman, and the development minister is the Vice-chairman. The 26 other member include five minister and three non-official members. The model village scheme aims to provide certain basic modern amenities for the villages selected. Only those villages are taken up whose panchayats contribute at least 25 percent of the development cost.
The low cost rural sanitation programme is the one given top priority by the state government in financial terms and in terms of their discussions with central government officials. Funds from several sources are being pooled. These include funds under the community Development Block Programme. The eighth plan proposals envisaged provision of sanitary facilities to 75 percent of the rural population. It appear also that the Haryana Government plans to spend substantially more on toilets than the Govt. of India guidelines envisaged.

The expenditure proposed for these three rural amenities schemes, model villages, rural sanitation and the community development -block programme scheme in greater than all IRDP schemes combined and about the same as the JRY/NREP programme as originally proposed. The cost of the Harijan and backward class chaupal programme is greater than the outlay for the state's Drought Prone Areas programme.

Aside from the Chaupal schemes, Haryana has had a large number of special scheme for Harijans, many of them focused on education. One of the earliest was the post Matric Scholarship Scheme for scheduled castes, a centrally sponsored programme, which is related as a success. The major problems have been inordinate delays in scholarship disburse-
ment and the amount of the scholarship, which was inadequate to cover hostel fees and books. Aside from this scheme interest free loans are available loan the Haryana Government to post matric scheduled caste students for purchase of textbooks and stationary. The state also provides a monthly matric scholarship to Scheduled caste girls students who have secured at least 60 percent marks to pulse their studies from ninth to 11th classes. For SC girls studying in primary and middle classes, there are a free uniforms scheme (Government of Haryana, 1974).

Large number of schemes for, economic uplift from loans and subsidies for drinking water wells, housing and purchase of productive assets, to legal assistance to help Scheduled caste fight their less involving harassment on amount of untouchability, ejectment, correction of gridawari and to protect themselves against exploitation by landlords.

Haryana introduced the old age pension scheme as a social assistance programme for old people without any means of support in the 1960's. In June, 1987 the scheme was liberalised, so that all persons of Haryana domiciles aged above 65, not paying income tax and not drawing any other pension above Rs. 100 per month, were entitled to receive it. In 1990-91 more than eight lakh people received pensions of Rs. 100 a month under this scheme, which cost altogether in
that year close to 85 crore. For the Eighth plan the state is said to have proposed what they called a new scheme, but which is actually a modified version of the existing scheme. This new scheme does not seem to have drastically reduced the expenditure proposed by the state government to be include in the Haryana Eighth plan. The failures of various centrally sponsored schemes implemented by Haryana Government under IRDP for the upliftment of agriculture labour household could not make any dents. In our sample, of the total agricultural labour household only 25.69 percent were identified as "poor" under the IRDP. The respondents where households were not included in the category of beneficiaries stated that if their households were categorised as "Poor" than how the "Zamindars" (Local term used for Landed peasantry) avail the opportunity of taking loan or fertilizers on subsidized rates. The agricultural labour households reported that household surveys were done by the agricultural extension officer and the village Patwari. The economically "Well-off" used all kinds of connections forgetting them declared as persons below poverty line.

Summing up the Haryana experience, it seems that sustained growth in agriculture, plus a deliberate policy of income and occupational diversification is the most effective means for the removal of rural poverty among the agricul-

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tural labour households. Public interventions through centrally sponsored programmes for poverty alleviations have been strictly peripheral to the observed reduction in poverty over the last 30 years. Public expenditure on some programmes has been to a large extent a waste of money. The State Government is just not interested in them in their present form. They would rather use the money to invest in rural infrastructure, in agriculture and in industrial development. Heavy investment in raising the productivity of the major commodity producing sectors, and in creating infrastructure combined with broad-based social welfare schemes to cover the aged and programmes such as those to subsidise the educational expenses of scheduled caste students, is the preferred poverty reduction strategy.

This strategy, on the face of it, has worked Haryana's head count poverty ratio, which was always one of the lowest in India, has been declining continuously to the point where Haryana now enjoys the second lowest incidence of poverty in the country. Moreover, despite population growth, the absolute number of poor people in rural areas has gone down over the past 30 years. Secondary data-based studies reveal that aside from economic growth, this welcome result has been the product of improved distribution of (Bhalla, Sheilla, 1995). Thus in Haryana economic growth has
been associated with a reduction in consumption in equalities, which was especially marked during the agriculture-lead growth phase in Haryana development. As the green revolution matured, the expansion of non-farm employment played a key role in poverty reduction among the landless, or virtually landless, rural households. A series of studies demonstrates also that in these developments, the quality of rural infrastructure was crucial. Investment in the upgradation of rural infrastructure it appears, is still the most effective anti-poverty programme in sight.